



Histories of Global Inequality

New Perspectives

Edited by
Christian Olaf Christiansen
Steven L. B. Jensen

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Histories of Global Inequality: Introduction

Christian Olaf Christiansen and Steven L. B. Jensen

SCRAPING BY

In the 2016 Danish television documentary *Superrich in the Slum*, the Danish journalist Kristoffer Eriksen visits four different developing countries (Bangladesh, Ghana, Kenya, and Nepal), countries with a deep gap between a tiny, super-rich enclave and most of the remaining population.¹ One episode features Ibrahim, a young citizen of Ghana who works in Accra, the country's capital. Ibrahim's work consists of burning various kinds of electronic waste such as cords (mainly shipped in from the West), in order to extract metal that he can then sell on an unregulated market.

¹This book was made possible through the generous support of our research from the Independent Research Fund Denmark (formerly The Danish Council for Independent Research) and its Sapere Aude programme. For comments to this introduction, we would like to thank Sally Kitch, Darrin McMahon, Mikkel Thorup, and Paul van Trigt, and Heidi Betts for her refined editorial work. We would also like to thank the anonymous reviewers for their feedback on this chapter and the overall volume.

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Ibrahim works many hours a day and receives poor remuneration for his work. He is not protected against the health dangers that his job entails. Despite the fact that Ghana is doing much better today than just a few decades ago, Ibrahim has limited access to even the most basic of necessities.² Needless to say, he is not particularly optimistic about his future.

The story of Ibrahim should give pause for thought. Whether one believes in the principle of equality of opportunity, the principle of equality of outcomes, or in the principle of substantive human rights for all people, his example certainly raises some deep moral and political questions about justice and fairness. His reality also illustrates four key points in the burgeoning research on global inequality.

Firstly, the most important “choice” in life is place of birth. Indeed, recent research in the field of global inequality (most notably, the work of Branko Milanovic) has demonstrated that today place of birth matters even more than class affiliation.³ This is one testimony of why a global perspective on inequality is important: Chances in life are (still) highly geographically determined. The young Ghanaian is not poor because he is less entrepreneurial than other people are. In fact, as the development economist Ha-Joon Chang has argued, poor people are often incredibly entrepreneurial and work long hours, as scraping by in life often requires tremendous creativity.⁴ Ibrahim is poor mainly because of where he was born and raised.

Secondly, the story of Ibrahim illustrates that inequality cannot be reduced to *economic* inequality (inequality of income or of wealth). While the income difference between him and many living in the Northern hemisphere is substantial, the inequalities also extend to unequal access to health care, to food and food security, to education, as well as to life expectancy, and so on. To use the concepts of Indian economist and philosopher Amartya Sen, inequality is inequality in fundamental capabilities.⁵ In terms

²See this document by the African Development Bank: https://www.afdb.org/fileadmin/uploads/afdb/Documents/Generic-Documents/country_notes/Ghana_country_note.pdf (visited 13 March 2019).

³Branko Milanovic, *Global Inequality: A New Approach for the Age of Globalization* (Cambridge, MA: Belknap Press of Harvard University Press, 2016), 125–134; Branko Milanovic, *The Haves and the Have-Nots: A Brief and Idiosyncratic History of Global Inequality* (New York: Basic Books, 2011), 118–123.

⁴Ha-Joon Chang, *Economics: The User's Guide* (New York: Bloomsbury Press, 2015), 258–259; Ha-Joon Chang, *23 Things They Don't Tell You About Capitalism* (London: Allen Lane, 2010), 157.

⁵See, for example, Amartya Sen, *Development as Freedom* (New York: Anchor Books, 2000). An important early work of Sen on the capability approach is his 1979 lecture at

of capabilities, Ibrahim is likely to be less fortunate than many people living in the Northern hemisphere, having fewer chances and opportunities in life and more restraints upon what he can actually do and choose. Göran Therborn distinguishes between resource inequality, vital inequality (inequality in health and in being biological organisms), and existential inequality (inequality in recognition).⁶ It is likely that Ibrahim and his counterparts in other countries are unequal not just in terms of resources (lower income and wealth) but also in terms of vital inequality (lower life expectancy due to dangerous working conditions and less access to health care) and existential inequality (recognition). Typologies such as Therborn's can help analytically disentangle the multiple dimensions of inequality. The point is that there are other important dimensions of inequality besides economic inequality. Similarly, global inequality is not just global economic inequality.

Thirdly, the example illustrates another finding in current research on global inequality, namely that inequality not just concerns inequality between poor and rich countries, but that vast inequalities also exist within all countries, including relatively poor countries. Ranked by country inequality in regions, the most unequal region is Latin America, closely followed by Africa, and then Asia.⁷ The point with the *Superrich in the Slum* documentary series was to highlight the existence of considerable and growing inequality in some of the poorest countries of the world.

Finally, the example demonstrates that today, when the story of Ibrahim is viewed against the historical backdrop of post-war sentiments of creating a "world without want," these promises have not been met. Immense human suffering and inequality of life conditions stand side by side with historically unprecedented wealth, technology, and productive capacities. This paradox is well known; indeed, it is a defining feature of the contemporary world.

WHY THIS BOOK?

This book is above all a contribution to existing research on global inequality. It focuses on some of today's most important and promising themes in historical research on global inequality: defences and critiques of inequal-

Stanford. See Amartya Sen, "Equality of What?" in *Tanner Lectures on Human Values*, vol. 1, ed. Sterling M. McMurrin (Cambridge: Cambridge U.P., 1980).

⁶ Göran Therborn, *The Killing Fields of Inequality* (Cambridge, UK: Polity, 2013), 48–68.

⁷ Milanovic, *The Haves and the Have-Nots*, 31.

ity in history, decolonization, international organizations, gender theory, discrimination and human rights, the history of measurement of inequality, and the history of economic thought. To date, economists have largely dominated the field of global inequality. They have renewed the tradition of Russian-American economist Simon Kuznets and his calculations of distributions of national income, bringing in much new data and longer-term historical perspectives.⁸ The aim of this book is to contribute to this burgeoning literature with a historical approach to global inequalities that supplements the economic research literature, demonstrating that many kinds of inequalities operate in different contexts. It takes stock of existing historical research on global inequality to help pave the way forward for a new research agenda.

In order to achieve this aim, we have strived to also open up the thematic scope to other forms of inequality than the strictly economical. The book therefore also contains contributions that deal with histories of discrimination and human rights that shed light on global inequality. In 2015, Philip Alston, the UN Special Rapporteur on extreme poverty and human rights, found “that human rights are absent in the inequality debate.”⁹ It was not just a matter of understanding “other dimensions of well-being” that could be “taken into account apart from income and wealth.”¹⁰ The issue was, as Alston wrote to the UN Human Rights Council, that “economic inequalities seem to encourage political capture and the unequal realization of civil and political rights.” This relationship is a two-way street as Alston also argued that “levels of economic inequality in many countries would be lower today in the absence of discrimination.”¹¹ There is a nascent debate addressing the absence of inequality in human rights discourse.¹² This book has deliberately sought to further bridge this gap. This integration is one important avenue for further research on global inequality. A historical approach offers excellent opportunities to address this and what are also labelled horizontal inequalities or inequalities with a group-based dimension such as “between men and women,

⁸ Simon Kuznets, “Economic Growth and Income Inequality,” *The American Economic Review* 45, no. 1 (1955): 1–28.

⁹ Philip Alston, Report of the Special Rapporteur on extreme poverty and human rights, A/HRC/29/31, Human Rights Council, 29th Session, 27 May 2015.

¹⁰ Ibid., 4 & 8.

¹¹ Ibid., 10.

¹² See, for example, Samuel Moyn, *Not Enough. Human Rights in an Unequal World* (Cambridge, MA: Belknap Press, 2018).

between majorities and minorities, between races, between groups of people with different sexual orientations or between generations”¹³ (the chapters by Julia Dehm, Sally Kitch, Paul van Trigt, and Steven L. B. Jensen all contribute to this discussion).

The structure of this book balances a thematic approach with a chronological one. The chapters focus on inequality in the history of economic and political thought (Chapters “Historicizing Piketty: The Fall and Rise of Inequality Economics,” “The Demise of the Radical Critique of Economic Inequality in Western Political Thought,” “Products before People: How Inequality Was Sidelined by Gross National Product,” and “Inequality by Numbers: The Making of a Global Political Issue?”), inequality, discrimination, and human rights (Chapters “Inequality and Post-War International Organization: Discrimination, the World Social Situation and the United Nations, 1948–1957,” “‘A Pragmatic Compromise between the Ideal and the Realistic’: Debates over Human Rights, Global Distributive Justice and Minimum Core Obligations in the 1980s,” “Inequality in Global Disability Policies since the 1970s,” and “Protection and Abuse: The Conundrum of Global Gender Inequality”), and inequality in an age of global capitalism (Chapters “Brewing Inequalities: Kenya’s Smallholder Tea Farmers and the Developmentalist State in the Late-Colonial and Early-Independence Era,” “Challenging Global Inequality in Streets and Supermarkets: Fair trade Activism since the 1960s,” “Partnerships against Global Poverty: When “Inclusive Capitalism” Entered the United Nations,” and “Third World Inc.: Notes from the Frontiers of Global Capital”). Many other themes, such as international organization and activism, occur across the chapters. Rather than providing a singular conclusion, this volume is a presentation of interconnectivity in new case studies and research perspectives on global inequality.

While each scholar’s approach to global inequality is historically informed, the book is interdisciplinary, drawing upon regional and national perspectives from around the world. The volume deliberately brings together scholars from different historical disciplines with expertise in the history of ideas, development studies, sociology, human rights, econom-

¹³ Philip Alston, Report of the Special Rapporteur on extreme poverty and human rights, p. 4. See also the former UN High Commissioner for Human Rights statement that “Inequalities and discrimination are the defining challenge of our time.” “An Agenda for Equality”, Zeid Ra’ad Al Hussein, UN High Commissioner for Human Rights, statement at the Summit for the Adoption of the Post-2015 Development Agenda, New York, 25 September 2015.

ics, international organizations, and more, in order to capture the multidimensionality and multicausality of global inequalities. This presents a broad range of contexts in a more qualitative way than representation through an aggregated UN data set or a statistical overview allows. The book assesses the dynamics of global inequality through cases that link political histories with other types of histories be they economic, diplomatic, social, or development histories. It contributes to the emerging multidisciplinary historical research on global inequality. It challenges the often more abstract historical narratives and explanations that occur in some of the economic literature and, instead, seeks to explore new and hidden dimensions and “faces” of inequality. Global inequalities are multifaceted, and research needs to be as well. After all, inequality is not just numbers. Inequality is also lived, historical experience.

While the concept of global inequality is rather recent, inequalities among different peoples in different parts of the world of course date much further back. So do the attempts to think and to conceptualize these inequalities, even if national inequality was to become the most prominent theme in the twentieth-century social sciences. This anthology spans the historical development of research on global inequality to examine the current research field of global inequality, arguing that there is ample space for supplementing existing economic and statistical research. More specifically, it makes the case for drawing on more historical, qualitative, political, multidimensional, and actor-oriented approaches to global inequality, and to explore new, fascinating, and important themes.

THE SUDDEN EMERGENCE OF A NEW CONCEPT?

The history of the emergence of the concept “global inequality” is somewhat spectacular. In just a few decades, it has become a key concept in research and in public debates. To the best of our knowledge, the very term “*global* inequality” (as distinguished from “*international* inequality”) first emerged in the context of the world food crisis of 1972–1975.¹⁴ Well into the 1980s, few people used it. Although a host of studies of world

¹⁴The concept “global inequality” appears in: Mick McLean & Mike Hopkins, “Problems of World Food and Agriculture: Projections, Models and Possible Approaches,” *Futures* 6, no. 4 (1974): 309–318. On the world food crisis, see: Christian Gerlach, “Famine responses in the world food crisis 1972–5 and the World Food Conference of 1974,” *European Review of History: Revue européenne d’histoire* 22, no. 6 (2015): 929–939.

economic income disparities appeared, global inequality itself did not become a key concept until the 1990s.¹⁵ In the early 1990s, its usage gradually surpassed that of “international inequality,” and then entered into a phase of exponential growth.¹⁶ Today, global inequality has become part of the popular imaginary, as when Oxfam reports that only a handful of rich individuals own as much as the poorest half of the world’s people.¹⁷ Perhaps since 2008 these accounts of global inequality have even become part of what was recently termed “The Inequality Industry.”¹⁸

To the best of our knowledge, economists were first in coining the concept of global inequality.¹⁹ One pioneer in this research was the Serbian-American economist Branko Milanovic. Milanovic distinguishes between national inequality (inequality among citizens of one country), international inequality (inequality among nations measured as differences in average gross domestic product [GDP] per capita), and global inequality. The latter is inequality among all the world’s people as if they were living within one nation (often calculated using the Gini-coefficient).²⁰ Other fields picked up the term only after the initial conceptual work by economists. Similarly, the economic version of the term “global inequality” seems the one most typically referred to in popular and political debates. Perhaps this is because, as Pedro Ramos Pinto points out in this volume, “stylized facts,” such as those about a few individuals owning equally as much as the bottom poorest half of the world’s population, easily make headlines in the popular press.

¹⁵ Reinhart Koselleck & Michaela Richter, “Introduction and Prefaces to the ‘Geschichtliche Grundbegriffe’,” *Contributions to the History of Concepts* 6, no. 1 (2011): 1–5, 7–25, 27–37.

¹⁶ Google Ngram search comparing the terms “international inequality” and “global inequality.” The result can only give a hint and is in no way conclusive for what concerns the popularity of the two terms, one reason being that Ngram only contains one version of each book. See, for example, Eitem Adam Pechenick, Christopher M. Danforth & Peter Sheridan Dodds, “Characterizing the Google Books Corpus: Strong Limits to Inferences of Socio-Cultural and Linguistic Evolution”. *PLoS ONE* 10, no. 10 (2015): e0137041. <https://doi.org/10.1371/journal.pone.0137041>.

¹⁷ See, for example, <https://www.oxfam.org/en/pressroom/pressreleases/2017-01-16/just-8-men-own-same-wealth-half-world> (visited 15 March 2019).

¹⁸ Atossa Araxia Abrahamian, “The Inequality Industry,” *The Nation*, 13 September 2018.

¹⁹ No conceptual history of global inequality exists in the current literature.

²⁰ Milanovic, *The Haves and the Have-Nots*; Milanovic, *Global Inequality*; Branko Milanovic, *Worlds Apart: Measuring International and Global Inequality* (Princeton, NJ: Princeton U.P., 2005).

Rising from almost insignificant status in the early 1990s, within a few decades “global inequality” has now become a key concept in the social sciences and in the humanities. The term is used in the fields of global health, climate change, citizenship, gender studies, migration, water access, international institutions, macroeconomics, and international trade.²¹ It has also made an entry into sociology, anthropology, moral philosophy, and epidemiology.²² Research on global inequality has proliferated within economics. It has done so against the backdrop of a growing interest in national economic inequality after the 2008 financial crisis.²³ Indeed, the policies of austerity in the aftermath of the financial crisis have certainly fuelled the inequality debates

²¹ A.J. McMichael, S. Friel, A. Nyong & C. Corvalan, “Global Environmental Change and Health: Impacts, Inequalities, and the Health Sector,” *British Medical Journal* 336, no. 7637 (2008): 191–194; J. Timmons Roberts, “Global Inequality and Climate Change,” *Society & Natural Resources* 14, no. 6 (2010): 501–509; Ayelet Shachar, *The Birthright Lottery: Citizenship and Global Inequality* (Cambridge, MA: Harvard University Press, 2009); Elaine Unterhalter, “Global Inequality, Capabilities, Social Justice: The Millennium Development Goal For Gender Equality in Education,” *International Journal of Educational Development* 25, no. 2 (2005): 111–122; Lucie Cheng & Philip Q. Yang, “Global Interaction, Global Inequality, and Migration of the Highly Trained to the United States,” *The International Migration Review* 32, no. 3 (1998): 626–653; D.A. Seekell, P. D’Odorico & M.L. Pace, “Virtual Water Transfers Unlikely to Redress Inequality in Global Water Use,” *Environmental Research Letters* 6, no. 2 (2011); Andrew Hurrell, “Global Inequality and International Institutions,” *Metaphilosophy* 32, no. 1–2 (2009): 34–57; J.K. Galbraith, “Global Inequality and Global Macroeconomics,” *Journal of Policy Modeling* 29, no. 4 (2007): 587–607; Ajit K Ghose, “Global Inequality and International Trade,” *Cambridge Journal of Economics* 28, no. 2 (2004): 229–252.

²² Michael Burawoy, “Facing an Unequal World,” *Current Sociology* 63, no. 1 (2015): 5–34; Robert J. Holton, *Global Inequalities* (London: Palgrave, 2014); Kathryn M. Neckerman & Florencia Torche, “Inequality: Causes and Consequences,” *Annual Review of Sociology*, 33 (2007): 335–357; Sylvia Walby, *Globalization and Inequalities: Complexity and Contested Modernities* (Los Angeles: Sage, 2009). Anthropology, see McGill, Kenneth, *Global Inequality: Anthropological Perspectives* (North York, Ontario: University of Toronto Press, 2016). Moral philosophy, see Charles R. Beitz, “Does Global Inequality Matter?” *Metaphilosophy* 32, no. 1–2 (2001): 95–112. Epidemiology, see Richard Wilkinson & Kate Pickett, *The Spirit Level* (New York: Bloomsbury Press, 2009).

²³ In a vast literature, see, for example, Anthony Atkinson, *Inequality: What Can Be Done?* (Cambridge, MA: Harvard University Press, 2015); Thomas Piketty, *Capital in the Twenty-First Century* (Cambridge, MA: The Belknap Press of Harvard University Press, 2014); Milanovic, *The Haves and the Have-Nots*; Milanovic, *Global Inequality*; Joseph E. Stiglitz, *The Price of Inequality: How Today’s Divided Society Endangers Our Future* (New York, NY: W.W. Norton & Company, 2012).

in the West.²⁴ Even though, it should be added, austerity is by no means a novel phenomenon when viewed through a global lens. It has been a perennial condition in many poor countries prior to 2008 as seen, for example, in the contexts of the Third World debt crisis and the structural adjustment programmes of the 1980s.²⁵ Here, austerity can be said to often equal these countries' histories as independent nations.²⁶ The case of austerity certainly calls for a global perspective on inequalities.

THE DEEPER HISTORY OF GLOBAL INEQUALITY

While the concept of global inequality itself is of relatively recent origin, inequality between “distant people” and “cross-cultural” inequality was an experience long before it became the object of quantification and statistics.²⁷ If universalistic criteria are relaxed, moving from the all-encompassing globe towards specific cross-cultural or transnational experiences of inequality, there are certainly many examples to turn to. The comparison between Ibrahim from Ghana and people from the North definitely has its historical predecessors. Earlier examples would include, for example, accounts of the “savages” or “uncivilized” people from non-European places in early modern travel literature, such as the ones used by Jean-Jacques Rousseau in his famous treatise on inequality.²⁸ Historical experiences of inequality certainly predate the Gini-coefficient.

²⁴ See, for example, Mark Blyth, *Austerity: The History of a Dangerous Idea* (Oxford: Oxford University Press, 2013); Wolfgang Streeck & Armin Schäfer (editors), *Politics in the Age of Austerity* (London: Polity, 2013); Adam Tooze, *Crashed: How a Decade of Financial Crises Changed the World* (London: Allen Lane, 2018).

²⁵ Sumner B. Twiss, “History, Human Rights, and Globalization,” *Journal of Religious Ethics* 32, no. 1 (2004): 39–70.

²⁶ This pertinent point was made by the Ugandan legal scholar Christopher Mbazira from Makerere University at the *Roundtable on Austerity and Human Rights* held at Åbo Akademi University, Turku, Finland, 19 November 2015. For a historical exemplification of this, see the Jamaican premier Norman Manley's remark on “the austerities of independence” to the Jamaican Parliament in 1961 quoted in Steven L. B. Jensen, “‘From this era of passionate self-discovery’: Norman Manley, Human Rights, and the End of Colonial Rule in Jamaica”, in A. Dirk Moses, Marco Duranti, and Roland Burke (eds.), *Decolonization, Self-Determination, and the Birth of Global Human Rights Politics*, (Cambridge: Cambridge U.P., forthcoming).

²⁷ Siep Stuurman, *The Invention of Humanity: Equality and Cultural Difference in World History* (Cambridge, MA: Harvard University Press, 2017).

²⁸ Jean-Jacques Rousseau, *Discourse on the Origin of Inequality* (Indianapolis, Indiana: Hackett Publishing Co., 1992).

Indeed, as objects of scholarly inquiry, both inequality and global exchange have long and deep histories. In a Western context, the intellectual history of inequality stretches back to Antiquity and the Roman Era.²⁹ Similarly, the historical past offers many examples of earlier phases of globalization, such as the European voyages to South and Central America in the fifteenth and sixteenth centuries, and the subsequent centuries of colonization and empire formations.³⁰

Inequality was increasingly theorized and problematized in connection with the “double revolution” in the eighteenth century: the Industrial Revolution and the political revolutions of France, the early American Republic, and Haiti. Together with colonization, the Industrial Revolution was the foundation of “the great divergence” where the West increasingly took off from other parts of the world in terms of production and economic growth.³¹ The Enlightenment and political revolutions in the eighteenth century ushered in a growing critique of various kinds of inequality.³² As the German sociologist Ulrich Beck notes, it is relatively late in world history when inequality becomes a political scandal.³³ When it did, inequalities were most certainly perceived in terms that also transcended national borders, as in critiques of the slave trade, of gender differences, and of imperialism. The Enlightenment, however, did not just give birth to new ideals of equality, but also to new ways of addressing and defending inequalities. In his cross-cultural intellectual history of equality, Siep Stuurman has thus demonstrated the rise of “four modern discourses of inequality” in the Enlightenment period: political economy, gender theories, racial theories, and a new philosophy of history concerned with “more and less ‘advanced’ stages of human development.”³⁴ The point is that

²⁹ Jon D. Wisman & James F. Smith, “Legitimizing Inequality: Fooling Most of the People All of the Time”, *American Journal of Economics and Sociology* 70, no. 4 (2011): 974–1013.

³⁰ Jürgen Osterhammel & Niels P. Petersson, *Globalization: A Short History* (Princeton, NJ: Princeton U.P., 2005).

³¹ Gregory Clark, *A Farewell to Arms: A Brief Economic History of the World* (Princeton, NJ: Princeton U.P., 2007); Joel Mokyr, *A Culture of Growth: The Origins of the Modern Economy* (Princeton: Princeton U.P., 2018); Kenneth Pomeranz, *The Great Divergence: China, Europe, and the Making of the Modern World Economy* (Princeton, NJ: Princeton U.P., 2000).

³² On the French and Haitian Revolutions, see, respectively, the chapters by Charles Walton and by Philip Kaisary in the forthcoming volume *Social Rights in History*, eds. Steven L.B. Jensen & Charles Walton.

³³ Ulrich Beck, “Re-mapping Social Inequalities in an Age of Climate Change: For a Cosmopolitan Renewal of Sociology”, *Global Networks* 10, no. 2 (2010): 165–181, p. 167.

³⁴ Stuurman, *The Invention of Humanity*, 259–260.

not only new ideals of equality saw the light of day in modernity; so did novel forms of legitimizing inequalities. Or, as Pierre Rosanvallon notes, “In the history of equality we find a constant tension between achieved forms of equality and resistance to the egalitarian idea.”³⁵

An early proponent of “the egalitarian idea” (for some) was philosopher Jean-Jacques Rousseau. In 1754, he wrote what would become a famous treatise on the historical origins of inequality, asking whether the high level of inequality in contemporary France was in contradiction with natural law.³⁶ Rousseau’s answer was an affirmative yes, arguing that “natural” inequality in physical terms (due to unequal physical and mental capacities) is vastly exacerbated in society, fuelled by institutions such as property rights, inherited wealth, and various forms of domination and hierarchy sanctioned by positive law (see the chapter by Michael J. Thompson in this volume).

In the nineteenth century, historical research on inequality most certainly became a main theme in the work of Karl Marx. In works such as *Das Kapital*, he traced the historical origins and trajectories of capital, such as the history of the so-called “original accumulation” and the historical connection between the enclosures in British history and the development of an unequal class society.³⁷ Were either of the two authors concerned with what in today’s language is meant by the term “global inequality”?

It would be misleading to claim that Rousseau was interested in global inequality in the present-day understandings of the concept. He was interested above all in France, not the world. He employed travel accounts, not statistics. He was interested in the lives of “savages” in order to develop his own theory of developmental stages from the state of nature towards society and to criticize power relations in contemporary Europe. With Karl Marx, the main concept he used to capture the essence of inequality was that of class. In this regard, he owed much to the tradition of classical political economy of which he was both an heir and a critic. Marx conceptualized inequality in class-terms and not in individual-terms (as would later be most common in economics). One of the ways he stood out was

³⁵ Pierre Rosanvallon, *The Society of Equals* (Cambridge, MA & London: Harvard U.P., 2013), 75. For an analysis of new ways of legitimizing inequality in nineteenth-century France, Britain, and the United States, see Chapter 2, especially pages 87–111.

³⁶ Rousseau, *Discourse on the Origin of Inequality*.

³⁷ Karl Marx, *Capital: Volume 1* (London: Penguin, 1990), Chapter 26.

that he introduced a concept of class that would transcend national boundaries, as when he and Engels famously encouraged workers of *all nations* to unite. To be sure, Marx did not write about global inequality as such, but his concept of class had an international dimension to it that much of twentieth-century inequality economics did not.

“Global” exchanges certainly proliferated during the nineteenth century. As is well known, the period between 1870 and 1914 was marked by a deep phase of economic globalization.³⁸ Africa was rapidly colonized, and international inequality between the West and other parts of the world grew, alongside a growing inequality within many Western countries, as in the US “Gilded Age.” In the second half of the nineteenth century, the term “workers aristocracy” emerged.³⁹ It was a way of trying to capture the unequal living conditions between Western workers and workers in the poorest countries. Similarly, Marxist theories of imperialism from the early twentieth century addressed inequalities between empires and their colonies.⁴⁰

INEQUALITY WITHIN AND BEYOND THE NATION STATE

Where Marx was concerned with inequality between classes across national and imperial borders, methodological nationalism became the dominant paradigm for much of twentieth-century social science. To the extent that twentieth-century economics was even concerned with inequality and distributional questions, it centred on the nation state. According to contemporary inequality economists, the theme of inequality was neglected in economics for much of the twentieth century (see also the chapters by Eli Cook, Pedro Ramos Pinto and Philipp Lepenies in this volume).⁴¹ An exception was the empirical work on the relationship between growth and income inequality in the United States by economist Simon Kuznets. Kuznets’ legacy became the famous “Kuznets Curve” that depicts the relationship between inequality and growth as a bell curve.⁴² In the West, it

³⁸ Osterhammel & Petersson, *Globalization*, 81–90.

³⁹ Milanovic, *The Haves and the Have-Nots*, 111.

⁴⁰ Rosa Luxembourg, *The Accumulation of Capital* (London & New York: Verso, 2003); Vladimir I. Lenin, *Imperialism, the Highest Stage of Capitalism* (Peking: Foreign Languages Press, 1970).

⁴¹ Piketty, *Capital*, 16.

⁴² Kuznets, “Economic Growth and Income Inequality.” Somewhat mistakenly, however, his study was interpreted as a generalizable fact about how successful phases of industrializa-

was not until the 1970s that economists such as Anthony Atkinson and Amartya Sen again took up the theme of inequality in economics.⁴³ This took place at a time when, as is now richly documented by Thomas Piketty and others, economic inequality was rising in many, if not most, countries.⁴⁴ Indeed, there is much evidence that suggests that the 1970s marked a historical watershed in the history of economic inequality. This is especially true from a Western perspective as inequality continued to rise again after the end of what in France was called the *trentes glorieuses*, the 30 glorious years from 1945 to 1975.⁴⁵ Research on inequality in economics also enjoyed a renaissance. The work on inequality by economists such as Anthony Atkinson in the 1970s, however, concerned national inequality, not international and definitely not “global inequality.” Similar to economics, most sociology of inequality has applied “methodological nationalism” to study inequality.⁴⁶

Indeed, even today the nation state may very well be the most dominant frame for thinking about inequality in contemporary research. Perhaps one explanation for this is that the nation state remains the most significant site of political intervention in relation to mitigating (or exacerbating) various inequalities. Since the 1960s, the nation state has become a main vehicle for redistribution as well as for recognition in most of the world.⁴⁷ With decolonization and the universalization of the principle of state sovereignty around the globe in the post-war era, the world of empires and colonies (and the many kinds of inequalities they embodied) has given way to the nation state as the most significant political organizing unit.

tion would begin with a high level of (necessary) inequality followed by economic growth and equalization. See Piketty, *Capital*, 13.

⁴³ Anthony B. Atkinson, “On the Measurement of Inequality,” *Journal of Economic Theory*, (1970), 244–263; Amartya Sen, *On Economic Inequality* (Oxford: Clarendon Press, 1973).

⁴⁴ Piketty, *Capital*.

⁴⁵ Piketty, *Capital*, 11.

⁴⁶ Robert J. Holton, *Global Inequalities* (London: Palgrave, 2014), p. 12. Sociological research on global inequality includes (following Holton, *Global Inequalities*, 15): Ulrich Beck, “Beyond Class and Nation: Reframing Social Inequalities in a Globalizing World”, *British Journal of Sociology* 84, no. 4 (2007), 679–705; Beck, “Re-mapping Social Inequalities,” Manuel Castells, *Network Society* (Oxford: Blackwell, 1996); Sylvia Walby, *Globalization and Inequalities* (London: Sage, 2009); Göran Therborn, “Meaning, Mechanisms, Patterns, and Forces: An Introduction”, in Göran Therborn (ed.), *Inequalities of the World* (London: Verso, 2006), 1–60.

⁴⁷ Nancy Fraser & Axel Honneth, *Redistribution or Recognition? A Political-Philosophical Exchange* (London & New York: Verso, 2003).

But even if the bulk of research on economic inequality in the twentieth century centred on the nation state, there are notable exceptions. International organizations (at times) did their part to measure inequality between and within nations (see the chapter by Jensen in this volume). In doing so, they helped foster a look at the world as a whole, and not just at individual nations, empires or colonies. While they did not use the term “global inequality,” its present-day connotations would apply. Indeed, a preferred measure in economics today for global economic inequality is still that of the Gini-coefficient, named after the Italian statistician Corrado Gini, who did pioneering work on the topic in the early twentieth century.⁴⁸ In this respect, recent accounts of global economic inequality within economics reflect newer developments within data and knowledge production more than they represent a novel way of thinking about inequalities.⁴⁹ In another regard, however, a crucial difference remains between seeing the globe as a world of nation states, empires, or colonies, and that of seeing it in singular terms: as one place with unequal distribution among the citizens of the world.

While some strands of historical research have focused on national history, often in a way that was entangled with the process of constructing the nation itself, the historical disciplines incorporated internationalism a long time ago.⁵⁰ In the post-war era, this includes imperial and colonial history, international history, world history, comparative history, area studies, postcolonial studies, entangled histories, and multiple modernity

⁴⁸ The first work is Corrado Gini, “Sulla misura della concentrazione e della variabilità dei caratteri,” *Atti del Reale Istituto Veneto di Scienze, Lettere ed Arti* (Venice: Premiate Officine Grafiche Carlo Ferrari, 1914) 73, no. 2: 1203–1284. See Milanovic, *The Haves and the Have-nots*, p. 219, for further bibliographic information on Gini. Also see: Lidia Ceriani & Paolo Verme, “The origins of the Gini index: extracts from Variabilità e Mutabilità (1912) by Corrado Gini,” *Journal of Economic Inequality*, 10 (2012): 421–443; Michael Schneider, “Measuring Inequality: The Origins of the Lorenz Curve and the Gini Coefficient,” https://www.latrobe.edu.au/_data/assets/pdf_file/0011/130889/2004.01.pdf.

⁴⁹ This is not meant to disregard the many important new empirical and theoretical insights in the fascinating economic literature on global inequality, such as the concepts of Kuznets waves, location-based inequality, citizenship premium, and so on. See, for example, Milanovic, *Global Inequality*.

⁵⁰ See, for example, Casper Andersen & Mikkel Thorup, “Indledning,” in *Global Idéhistorie*, edited by Casper Andersen & Mikkel Thorup (Århus: Baggrund, 2018). On nationalism, see: Benedict Anderson, *Imagined Communities* (New York & London, 1983); Eric Hobsbawm, *Nations and Nationalism since 1780. Programme, Myth, Reality* (Cambridge: Cambridge U.P., 1990).

studies.⁵¹ These internationalist trends have helped pave the way for the more recent rise of what today is termed “global history.”⁵² As with the term “global inequality,” the turn to “global history” is hardly thinkable without the appearance of “globalization” and the globalization debates of the 1990s.⁵³ The current interest in global inequality by historians can be seen against this backdrop.⁵⁴ In the fields of intellectual and conceptual history, research on equality and inequality has mainly tended to focus on the West—often with an emphasis on canonical works—and it is only more recently that the field has pivoted towards global history.⁵⁵

⁵¹ On comparative history, see, for example, Heinz-Gerhard Haupt & Jürgen Kocka (eds.), *Comparative and Transnational History* (New York & Oxford: Berghahn Books, 2009); on world history, see, for example, Philip Pomper et al. (eds.), *World History. Ideologies, Structures and Identities* (Malden: Blackwell, 1998); on multiple modernities, see, for example, American Historical Review Roundtable, “Introduction: Historians and the Question of ‘modernity’,” *American Historical Review* 116, no. 3 (2011): 631–637; on imperial and colonial history, see, for example, John Darwin, *After Tamerlane: A Global History of Empires since 1405* (New York: Bloomsbury Press, 2008); on postcolonial history, see, for example, Dipesh Chakrabarty, *Provincializing Europe. Postcolonial Thought and Historical Difference* (Princeton, NJ: Princeton U.P., 2000); on entangled histories, see, for example, Michael Werner & Bénédicte Zimmerman, “Beyond Comparison: Histoire Croisée and the Challenge of Reflexivity,” *History and Theory* 45, no. 1 (2006): 30–50. See Andersen & Thorup, “Indledning,” 20–24, for more references.

⁵² Sebastian Conrad, *What Is Global History?* (Princeton: Princeton U.P.).

⁵³ David Held, Anthony McGrew, David Goldblatt & Jonathan Perraton, *Global Transformations* (Stanford: Stanford U.P., 1999).

⁵⁴ The authors of this introduction organized a conference at Aarhus University (Denmark) in November 2016, titled *The Road to Global Inequality, 1945–Present Day: New Historical Perspectives*. The theme of the tenth-anniversary conference of the Global History and Culture Centre at Warwick University was *Global Inequality: A Divided History* (April 2017). Both conferences are indicative of a current trend where historians investigate inequality through a “global” lens. In this introduction, we acknowledge and discuss some strengths and weaknesses of a global approach to inequalities.

⁵⁵ See Rosanvallon, *Society of Equals*, but also, for example, Steven Kale, “Gobineau, Racism and Legitimism: A Royalist Heretic in Nineteenth-Century France,” *Modern Intellectual History* 7, no. 1 (2010): 33–61; Brandon Konoal, “Between Aristotle and Lucretius: Discourses of Nature and Rousseau’s Discours Sur L’Inégalité,” *Modern Intellectual History* 14, no. 1 (2017): 1–33; Michael Sonenscher, “Jean-Jacques Rousseau and the Foundations of Modern Political Thought,” *Modern Intellectual History* 14, no. 2 (2017): 311–337. There is also a global history surge in the fields of intellectual and conceptual history. For work on equality, see especially, Stuurman, *The Invention of Humanity*; also see Frederick Cooper, *Citizenship, Inequality, and Difference: Historical Perspectives* (Princeton: Princeton U.P., 2018). For global intellectual and conceptual history more generally, see, for example, David Armitage, “The International Turn in Intellectual History,” in Darrin

If the late nineteenth- and early twentieth-century “first globalization” is testimony to new historical experiences of transcultural inequality, the contemporary concern with global inequality certainly owes much to post-war developments. The post-war era witnessed a new critique of global poverty, a rearticulation of the principle of universal equality, a critique of theories of race, and a political as well as intellectual battle for understanding—and changing—inequalities between people on this globe. Where the Enlightenment period and the subsequent centuries primarily referred to inequality within nations, the post-war era saw a new insistence on addressing inequality on a world scale. This is not to say that global inequality was reversed—far from it—but it was increasingly problematized. This was expressed in the Universal Declaration of Human Rights from 1948, which claimed the equal rights of all people despite their many differences, and in decolonization treatises.⁵⁶ It was also expressed in the further expansion of development economics and modernization theory, which put a focus on development in the poorest parts of the world (modelled in a Western image). It was seen in a new rhetoric about eradicating poverty across the globe, and featured in the political speeches of American presidents and in the political projects of the Third World.⁵⁷ It was also expressed in the new waves of revolts and insurrec-

McMahon & Samuel Moyn (eds.), *Rethinking Modern European Intellectual History* (Oxford: Oxford U.P., 2014), 232–252; Anthony Grafton, “Forum: a World of Ideas: New Pathways in Global Intellectual History, c. 1880–1930,” *Modern Intellectual History* 10, no. 2 (2013): 347–351; Donald R. Kelley, “Intellectual History in a Global Age,” *Journal of the History of Ideas* 66, no. 2 (2005): 155–167; Samuel Moyn & Andrew Sartori, *Global Intellectual History* (New York: Columbia Samuel University Press, 2013); Martin Mulsow, “New Perspectives on Global Intellectual History,” *Global Intellectual History* 2, no. 1 (2017): 1–2; Margrit Pernau, “Whither Conceptual History? From National to Entangled Histories,” *Contributions* 7, no. 1 (2012), 1–11; Andrew Sartori, *Bengal in Global Conceptual History: Culturalism in The Age of Capital* (Chicago & London: University of Chicago Press, 2008); Glenda Sluga, “Turning International: Foundations of Modern International Thought and New Paradigms for Intellectual History,” *History of European Ideas* 41, no. 1 (2015): 103–115; Bo Stråth, “Towards a Global Conceptual History”, keynote address at National and transnational Notions of the Social, Helsinki, 21 August 2008. Accessed 15 March 2019. http://www.helsinki.fi/conceptafrica/theory_method_literature/towards_a_global_conceptual_history.html.

⁵⁶ Adom Getachew, *Worldmaking after Empire: The Rise and Fall of Self-Determination* (Princeton: Princeton U.P., 2019).

⁵⁷ See, for example, the inaugural address by John F. Kennedy in 1961 (<https://www.jfklibrary.org/learn/about-jfk/historic-speeches/inaugural-address>), or Franklin D. Roosevelt’s “Four Freedom Speech” of 1941, <https://www.roosevelt.nl/fdr-four-freedoms->

tions of colonies that launched a grand decolonization process in the subsequent decades.⁵⁸

Much suggests that the post-war era was particularly important for laying the groundwork for the contemporary concern with global inequality. Current sensibilities towards it predate the emergence of the term “global inequality” itself during the 1980s and 1990s. The battle for greater equality for women and people of colour, the oppressed, marginalized, colonized, and indigenous people of the globe was led by the new postcolonial nations, through civil rights movements and an internationalist new left rising in the 1960s that grew up partly in response to Western geopolitical dominance.⁵⁹ On a theoretical level, the post-war era saw the outgrowth of new bodies of thought on international economic inequality between North and South. The latter was expressed through Latin American dependency-theories, theories of “under-development,” of “unequal exchange,” and in “world systems theory.”⁶⁰ These theories saw their heyday in the 1960s and the 1970s. They were part of the intellectual foundation when a group of Third World countries in 1974 was successful in pushing through a UN declaration on creating a “New International Economic Order,” which was intended to create more international equality between the North and the South.⁶¹ These different historical processes were linked to the growing concern with international inequality and analyses of why and how some nations (and regions) were poorer than others. They bear witness to a growing preoccupation with world inequalities, even if the very term “global inequality” was not yet employed.

speech-1941 (visited 15 March 2019); for “third world” perspectives, see Vijay Prashad, *The Poorer Nations: A Possible History of the Global South* (London: Verso Books, 2013).

⁵⁸ Jan C. Jansen & Jürgen Osterhammel, *Decolonization. A Short History* (Princeton: Princeton University Press, 2017).

⁵⁹ C. W. Mills, “The New Left,” in Irving L. Horowitz (ed.), *Power, Politics and People. The Collected Essays of C. Wright Mills* (New York: Oxford University Press, 1963).

⁶⁰ On “dependencia,” see: Raúl Prebisch, *The Economic Development of Latin America and Its Principal Problems* (New York: United Nations, 1950); on “under-development,” see: Andre Gunder Frank, *Latin America: Underdevelopment or Revolution* (New York: Monthly Review Press, 1969); on “unequal exchange,” see: Samir Amin, *Le développement inégal—Essai sur les formations sociales du capitalisme périphérique* (Paris: Les Editions de Minuit, 1973); on world-systems theory, see: Immanuel Wallerstein, *World-System Analysis: Theory and Methodology* (Beverly Hills: Sage, 1982); Immanuel Wallerstein, *Africa and the Modern World* (Trenton, NJ: Africa World Press, 1986).

⁶¹ On the NIEO, see the special issue of *Humanity*, 6, 1 (2015): <http://humanityjournal.org/issue-6-1/>.

Furthermore, they also demonstrate the importance of non-Western actors (political and intellectual) in what would be a more global (and, for many, highly welcomed) approach to the histories of global inequalities (see the chapter by Muey Saeteurn in this volume).

The post-war era was a new era of globalization, institutionally anchored in the new international economic and political order laid out at Bretton Woods. Amongst other objectives, one priority of the new post-war institutions was to promote international trade, while seeking to ensure that (some) countries would be cushioned against the most negative effects of an international economy.⁶² The process towards more economic exchange sought legitimacy through neoclassical theories of international trade, which claimed that increased trade between richer and poorer nations would lead to equalization in the long term. The dominant Western temporality of international inequality was that of a near-future equalization, an expectation grounded in development and modernization theory, neo-classical trade theory, and the Kuznets Curve.⁶³ The growing economic exchanges in the post-war era, partly channelled through the activities of multinational corporations, form part of the background for why the very term “global” was increasingly used in the 1970s.

Another important background condition for the present-day concern with global inequality is advances in statistics and data collection within economics in the interwar and post-war era.⁶⁴ The work on measuring within-nation economic inequality stretches back to efforts by Vilfredo Pareto around the turn of the twentieth century, and the seminal 1912 article by Corrado Gini.⁶⁵ In the period following the Great Depression of the 1930s, the development accelerated, as new economic data on national income accounts were produced (see Lepenies in this volume). An important consequence was that it became possible to compare countries. In 1940, the British economist Colin Clark published a landmark book that

⁶² John Gerard Ruggie, “International regimes, transactions and change: embedded liberalism in the postwar economic order,” *International Organization* 36, no. 2 (1982): 379–415.

⁶³ David Singh Grewal & Jedediah Purdy, “Inequality Rediscovered,” *Theoretical Inquiries in Law* 18, no. 1 (2017): 61–82.

⁶⁴ Daniel Speich, “The use of global abstractions: national income accounting in the period of imperial decline,” *Journal of Global History* 6 (2011): 7–28.

⁶⁵ Vilfredo Pareto, *Manual of Political Economy* (New York: Augustus M. Kelley, 1971); Vilfredo Pareto, “La courbe de la répartition de la richesse (Lausanne: Université de Lausanne, 1896). See Milanovic, *The Haves and the Have-Nots*, 235 & 240–241, for more bibliographical information on Pareto.

compared the economies of existing states, following up on decades of work.⁶⁶ As Daniel Speich notes, “Most of Clark’s figures were rough estimates based on very poor empirical evidence.” The study showed that “more than half of the world population was living in countries with an average income below 200 international currency units—what amounted to less than one-sixth of the average income in the United States. The conclusion Clark drew was a sensation. He stated quite simply that ‘the world is a wretchedly poor place’ and that charitable action was necessary.”⁶⁷ As noted, where key contributions to the history of inequality in economic thought from Kuznets and Atkinson mainly centred on the nation state, international organizations such as the UN would also become important actors in producing new statistics on inequality among countries (see Jensen in this volume).

In the 1970s, parallel to the growing economic globalization, a more broadly based global consciousness arose. This was expressed in a new media reality where sufferings in the Third World increasingly appeared on Western television screens: the Vietnam War (the My Lai massacre in 1968), the Biafra War in 1967–1970 (civil war in Nigeria where famine was used as a means of warfare), and the global food crisis in the early 1970s.⁶⁸ Global justice, the branch of political philosophy that has international inequality as a theme, also saw the light of day in the 1970s.⁶⁹ Indeed, in the 1970s more and more contemporary observers began to speak of “one earth.” As the political scientist John Ruggie wrote in 1975: “technological, ecological, political, economic, and social environments are becoming so globally enmeshed that changes taking place in one segment of international society will have consequential repercussions in all

⁶⁶ Colin Clark, *The Conditions of Economic Progress* (London: Macmillan, 1940).

⁶⁷ Daniel Speich, “The use of global abstractions,” 7. Quote from Daniel Clark, *The Conditions*, Introduction, here quoted from Speich p. 7.

⁶⁸ See, for example, Lasse Heerten, *The Biafran War and Postcolonial Humanitarianism. Spectacles of Suffering* (Cambridge: Cambridge U.P., 2017).

⁶⁹ Charles R. Beitz, “Justice and International Relations,” *Philosophy and Public Affairs*, 4, 4 (1975): 360–389. The opening question in his article was this: “Do citizens of relatively affluent countries have obligations founded on justice to share their wealth with poorer people elsewhere?” (p. 360); and later: “In view of increasingly visible global distributive inequalities, famine, and environmental deterioration, it can hardly be denied that this question poses a main political challenge for the foreseeable future” (p. 361). Beitz answered the question in the affirmative, employing the terms “global distributive inequalities,” “global distributive justice,” and “global justice.”

others.”⁷⁰ As demonstrated by Peter van Dam in this volume, it was also a decade in which fair trade activists acted on what they saw as injustice on a world scale. The 1960s and 1970s were certainly a formative era for the rise of a transnational (even if not fully global) civil society that today constitutes a key field in battles concerning global inequalities of various kinds, ranging from women’s rights to LGBT rights to Oxfam reporting on global economic inequality.⁷¹ This points to an important research task in unpacking how historical actors have acted on global inequalities, as illustrated by several chapters in this volume (see van Dam, van Trigt, Christian Olaf Christiansen and Jensen).

The very idea (that is so commonplace in contemporary research) of separating out different or specific dimensions of inequality was most certainly also reflected in the 1970s studies of inequality. In the 1975 entry on equality in the German conceptual history magnum opus *Geschichtliche Grundbegriffe*, historian Otto Dann proclaimed that equality is always equality in a certain sense.⁷² The same would be the case with inequality. In 1979, Amartya Sen famously asked the question “Equality of What?”, in close dialogue with the political philosophy of John Rawls and his 1971 path-breaking book of political and moral philosophy, *A Theory of Justice*.⁷³ But even if these specific works point forward by separating out different dimensions of inequality, they mainly remained bound to the nation state.

The recent decades’ explosive growth in the use of the term “global inequality” should also be seen against the backdrop of the overall tendency of the rise in economic inequality since the 1970s. There are notable exceptions, as when one looks at international inequality (measured in terms of average GDP per capita) and finds evidence of international equalization due to economic growth especially in China and India. But the main tendency is that within-country inequality has risen in most countries, that some countries remain way behind others in terms of GDP per capita, and that inequality is very high also in poor or middle-income

⁷⁰ John Gerard Ruggie, “International responses to technology: Concepts and trends,” *International Organization* 29, no. 3 (1975): 557–583, 559.

⁷¹ Walby, *Globalization and Inequalities*, 233–238.

⁷² Otto Dann, “Gleichheit,” in Otto Brunner, Werner Conze & Reinhart Koselleck (eds.), *Geschichtliche Grundbegriffe: Historisches Lexikon zur Politisch-Sozialen Sprache in Deutschland*, Band 2 (Stuttgart: Klett-Cotta, 1975), 997–1046.

⁷³ Amartya Sen, “Equality of What?,” John Rawls, *A Theory of Justice* (Cambridge, MA: The Belknap Press of Harvard University Press, 1971).

countries. Also in this respect, inequality is a global phenomenon: high intra-national inequality is a global trend.

Furthermore, the use and invocation of global inequality of course sharply increased in the aftermath of another key concept that made a spectacular entry into the social sciences and broader public in the 1990s: globalization.⁷⁴ Today, the concept of global inequality has become mainstream. Similarly, inequality has risen to the forefront of public and political debates. It was a guiding concept throughout the international consultations and negotiations that in 2015 led the United Nations to adopt the 2030 Agenda for Development (also known as the Sustainable Development Goals, or SDGs). Indeed, Goal 10 of the SDGs is to reduce inequality.⁷⁵ Inequality—both within and among nations—is again back on the international political agenda.

INEQUALITY RESEARCH TODAY

Having come so far, what can we say characterizes contemporary research on inequality? Contemporary research on inequality is a vibrant research field, encompassing many different academic disciplines, approaches, sub-themes, and research objectives. Inequality is an important theme in economics, sociology, history, anthropology, intellectual history, geography, public health studies, race and gender studies, migration studies, philosophy (especially moral and political philosophy), and more. One branch of inequality studies focuses particularly on the impact of inequality on other specific parts of society (such as the level of crime in a society).⁷⁶ Economists have focused on measuring and explaining economic inequality, but suggesting policy proposals has also been part of their research objectives.⁷⁷ Perhaps obviously, economists have mainly been preoccupied with economic inequality, that is, inequality of income or wealth. But important contributions have been made by scholars working across scientific disciplines such as the economist and philosopher Amartya Sen, who has contributed to the broader ambition of expanding the notion of inequality

⁷⁴ David Held et al., *Global Transformations*.

⁷⁵ MacNaughton, Gillian. “Vertical inequalities: are the SDGs and human rights up to the challenges?”, *The International Journal of Human Rights* 21, no. 8 (2017): 1050.

⁷⁶ The best example remains Wilkinson & Pickett, *The Spirit Level*.

⁷⁷ Atkinson, *Inequality*, Parts Two and Three; Piketty, *Capital*, Part Four; Walter Scheidel, *The Great Leveler: Violence and the History of Inequality from the Stone Age to the Twenty-First Century* (Princeton & Oxford: Princeton U.P., 2017), Part 6; Stiglitz, *The Price*, Chapter 10.

so that it encompasses more than just economic inequality.⁷⁸ Other strands of economics have explored racial discrimination, employing a much-discussed neoclassical individualist framework to do so.⁷⁹

By contrast, sociological research on inequality has long encompassed inequality in other dimensions than the economic, such as inequalities in relation to social class, discrimination, education, and citizenship.⁸⁰ An important contribution of a more normative kind was the much-referenced exchange between Nancy Fraser and Axel Honneth on choosing between struggles for recognition and redistribution.⁸¹ That discussion paired two kinds of inequality (economic inequality and status inequality) with two kinds of struggles (for redistribution and recognition). Another key term in sociological approaches to inequality is that of “intersectionality,” originally developed in critical race theory in law, meaning that some kinds of inequalities tend to cut across (impact) others, such as gender inequality or racial inequality.⁸² For example, being African American or being a woman often intersects with many other aspects of inequality (see also the chapter by Kitch in this volume).

To sum up, inequality research today spans a dynamic field, encompassing many disciplines, approaches, subthemes, and research agendas. As many of these above examples demonstrate, the more recent concern with global inequality has certainly not been at the expense of continued research on national inequalities. Equally true, contemporary research on *global* inequality is also a vibrant field that shares many—if not all—of the

⁷⁸ Amartya Sen, *Inequality Reexamined* (Oxford: Clarendon Press, 1992).

⁷⁹ Gary S. Becker, *The Economics of Discrimination* (Chicago: The University of Chicago Press, 1971).

⁸⁰ In a vast sociological literature and theorization on inequality, here are only a few references to the seminal work by Pierre Bourdieu: “Cultural reproduction and social reproduction,” in Jerome Karabel & A.H. Halsey (eds.), *Power and Ideology in Education* (Oxford University Press, New York, 1977); Pierre Bourdieu, *The Logic of Practice* (Cambridge: Polity Press, 1990); Pierre Bourdieu, *Sociology in Question* (London: Sage, 1993); Pierre Bourdieu, *Practical Reason: On the Theory of Action* (Cambridge: Polity Press, 1998); Pierre Bourdieu & Loïc Wacquant, *An Invitation to Reflexive Sociology* (Chicago: University of Chicago Press, 1992); Pierre Bourdieu et al., *The Weight of the World: Social Suffering in Contemporary Society* (Stanford: Stanford University Press, 2000).

⁸¹ Fraser & Honneth, *Redistribution or Recognition?*

⁸² Walby, *Globalization and Inequalities*. For an intellectual history, see Ange-Marie Hancock, *Intersectionality: An Intellectual History* (Oxford: Oxford University Press, 2016). A seminal article is Kimberlé Crenshaw, “Demarginalizing the Intersection of Race and Sex: A Black Feminist Critique of Antidiscrimination Doctrine, Feminist Theory and Antiracist Politics,” *University of Chicago Legal Forum*, Article 8, (1989).

abovementioned characteristics for inequality research more broadly. What follows next, then, is a more detailed account of how this volume contributes to existing research on global inequality. More specifically, it does so by adopting approaches that are qualitative, actor-based, multidimensional, political, and historical, and by investigating new and important themes.

NEW APPROACHES TO GLOBAL INEQUALITY RESEARCH

There is a need for new approaches to expand contemporary research on global inequalities. This volume supplements the quantitative research literature with new *qualitative* case studies. Economists have mainly studied global inequalities using quantitative methods. By contrast, many studies from other branches of the social sciences and the humanities have often used qualitative methods, as when anthropologists have focused on intersections between the global and the local.⁸³ For example, the anthropologist June Nash has studied how the historic disadvantages of indigenous people in Chiapas, Mexico, were deepened by neoliberal economic policies in the 1980s.⁸⁴ Similarly, this book focuses mainly on qualitative studies of global inequalities. It does so mostly by assessing important actors, ranging from international organizations to economists to human rights activists, and from philosophers to statisticians to tea farmers.

Indeed, where economists have searched for structural explanations for global inequalities, this book supplements this research perspective by incorporating more *actor-based* studies. Economists have focused on structures and structural explanations for economic inequalities, such as Thomas Piketty's famous $r > g$ "law of capitalism."⁸⁵ Historians and others have also provided structural explanations. But they have also looked into the roles of specific actors, of concepts, political ideologies, and culture. A key purpose of this volume is to address these aspects and to include an actor-centred view on how particular historical agents have acted on global inequalities. Examples from this volume include work on international organizations such as the UN (see chapters by Christiansen, Jensen and

⁸³ McGill, *Global Inequality*, 24f, 38.

⁸⁴ June Nash, *Mayan Visions: The Quest for Autonomy in an Age of Globalization* (London: Routledge, 2001).

⁸⁵ Where "r" is the annual rate of return on capital, and "g" is the annual growth rate of output. Piketty, *Capital*, 571–573.

van Trigt), international movements such as Occupy Wall Street or the Global Justice Movement (see the chapter by Ramos Pinto) and the fair trade movement (see the chapter by van Dam). Other examples include the claiming of human rights for all people and the claiming of rights for particular groups such as persons with disabilities (see the chapters by Dehm and van Trigt).

Another key thought behind this book follows an important insight into research on global inequalities, in that it shares a *multidimensional* approach to global inequalities. Sociologists have pointed to the need for a multidisciplinary approach to global inequalities.⁸⁶ Economic inequality can be separated out for analytical purposes, but it is very likely to intersect with other kinds of inequality and social and cultural factors. As Robert J. Holton notes, “inequality is generated within society, not simply within the economy.”⁸⁷ Indeed, two main findings inform the recent sociology of global inequality, namely the multidimensionality of inequality and the multicausality of inequality.⁸⁸ Going beyond class and methodological nationalism, sociologists have pointed out how inequality cuts across a number of additional spheres. As Sylvia Walby points out, “complex inequalities” include “gender, class, ethnicity, race, religion, nation, linguistic community, able-bodiedness, sexual orientation, and age.”⁸⁹ They may cut across the spheres of the economic, the political, the social, civil society and violence in society.⁹⁰ The concept of multidimensionality is linked to the concept of intersectionality mentioned in the above, where inequality of one kind affects another, often in “reinforcing and overlapping ways,” as, for example, gender inequality *is* economic, political, and social inequality (see the chapter by Kitch in this volume).⁹¹ Furthermore, in Walby’s view there is often multicausality at play in shaping inequalities of various kinds. In her view, it is unsound to search for one causal factor, be it capitalism or globalization, as the one fundamental cause of inequality. While multicausality is perhaps not particularly surprising, given that economists acknowledge complexity but still try to find “weighted explanations,” these findings have had important repercussions for research on global inequalities and some of the most salient themes.

⁸⁶ Holton, *Global Inequalities*, 3f.

⁸⁷ Holton, *Global Inequalities*, 9.

⁸⁸ Holton, *Global Inequalities*; Walby, *Globalization and Inequalities*.

⁸⁹ Walby, *Globalization and Inequalities*, 60.

⁹⁰ Walby, *Globalization and Inequalities*, 60.

⁹¹ McGill, *Global Inequality*, 41.

The turn towards more historical and qualitatively oriented studies, then, also means supplementing the search for one overarching explanatory variable with other causal factors. In the epistemology of the current research literature, there is a continuum ranging from mono-causality and a high degree of theoretical generalization at one end of the spectrum, moving towards local understandings, singularity, and uniqueness at the other end. As the example with Piketty's famous formula illustrates, there is some evidence that suggests that economists have leaned towards the natural science ideal of a nomothetic epistemology (striving towards finding the singular most important causal factor), even if Piketty himself called for a more historical approach which incorporated other methods and sources than those of quantitative economics.⁹² With some strands of economics at one end of this spectrum and some strands of anthropology at the other, the sociology of global inequality—or often in this literature: global inequalities—occupies a space in the middle.⁹³ In this book, we may not have identified new singular explanatory variables, but we have aimed for historical case studies that identify more local explanations and take into consideration other explanatory variables of a more political, cultural, and actor-centred kind.

In a broader sense, the turn towards more historical- and qualitatively oriented studies also means looking at new and different kinds of *empirical sources*. In this book, they most certainly range very broadly: from philosophical treatises to United Nations archives, from fair trade campaigns to “emerging markets” commercials. Besides a comparative historical approach to the trajectories of different countries, Piketty himself suggested incorporating works of literature. His own literary examples in *Capital in the Twenty-First Century*, however, served pedagogical and stylistic purposes rather than adding scientific value to his main arguments. In that respect, they point more to an interesting avenue for future research: writing the histories of how inequality has figured in (world) literature.⁹⁴

This book highlights the *political* aspects of the history of global inequalities. In doing so, it contrasts sharply with the developmentalist

⁹² Piketty, *Capital*, 32–33.

⁹³ McGill, *Global Inequality*, 13.

⁹⁴ Among the recent works of fiction grappling with this theme are the following: NoViolet Bulawayo, *We Need New Names* (London: Vintage Books, 2013); Marlon James, *A Brief History of Seven Killings* (London: Oneworld Publications, 2015); Zadie Smith, *Swing Time* (New York: Penguin Press, 2016); Mohsin Hamid, *Exit West* (London: Penguin Books, 2017).

paradigm that we find in some parts of the literature on global inequality in economics. Where many new histories of global inequality point to its deeper political origins, the developmentalist framework tends to depoliticize inequality. One comparison will illustrate this. The Nobel Prize-winning economist Angus Deaton in his *The Great Escape* mainly finds divergence not convergence between rich and poor countries. His explanation is primarily institutional. Deaton writes:

as Robert Solow showed in one of the most famous papers in all of economics, average living standards should draw closer over time. Why this has not happened is a central question in economics. Perhaps the best answer is that poor countries lack the *institutions*—government capacity, a functioning legal and tax system, security of property rights, and traditions of trust—that are a necessary background for growth to take place.⁹⁵

Deaton then couples his institutional explanation together with a critique of foreign aid.⁹⁶ By pointing to the role of institutions and of institutional choices within poor countries themselves, Deaton mainly operates within a developmental paradigm. Indeed, ever since the Enlightenment era, and especially after World War II, inequality between rich and poor nations was often conceptualized in terms of “development” and of differential “stages” of progress.⁹⁷ Within this “developmental paradigm,” the level of wealth or poverty in a country is mainly a function of its own policies. These determine whether country A or B can “climb the ladder.”

But where some historians of global inequality have operated mainly within the developmental paradigm, assuming the “singularity” of individual nations and the individual choices they can make, others have instead stressed the interconnectedness of richness and poverty. They

⁹⁵ Angus Deaton, *The Great Escape: Health, Wealth, and the Origins of Inequality* (Princeton, NJ: Princeton U.P., 2013), 234.

⁹⁶ For other critiques of development aid, see William Easterly, *The White Man's Burden: Why the West's efforts to aid the rest have done so much ill and so little good* (Oxford: Oxford U.P., 2006); Dambisa Moyo, *Dead Aid: Why Aid Is Not Working and How There Is a Better Way for Africa* (New York: Farrar, Straus & Giroux, 2009).

⁹⁷ Philipp H. Lepenies, *Art, Politics, and Development: How Linear Perspective Shaped Policies in the Western World* (Philadelphia: Temple University Press, 2014); Philipp H. Lepenies, “An Inquiry into the Roots of the Modern Concept of Development,” *Contributions to the History of Concepts* 4, no. 2 (2008): 202–225; Stuurman, *The Invention of Humanity*, 259–260; Siep Stuurman, “Beyond ‘Modern Equality.’ Can We Write a World History of Cross-Cultural Equality?” *Intellectual History Review* 16, no. 1 (2010): 55–70.

argue, instead, that there is an intrinsic link between some countries being poor and other countries being rich. They stress that global inequality is mainly a result of unequal power structures embedded into the modern international system of nation states with capitalist economies. And they point to the deep legacies of colonialism and to the historical ability of strong states to set up trade rules, tariffs, and so on favourable to themselves, while preaching “free trade” to others. As Simon Reid-Henry points out, “The modern era of globalisation was inaugurated on distinctly uneven terms.”⁹⁸ From the perspectives of these histories of global inequality, the root causes of global inequality are political rather than merely economic, geographical, or a function of institutional design.⁹⁹ In order to explain global inequality, they have pointed to the political history of colonialism and imperialism up until World War II, and to various key events in the post-war era: from the rise of the Global South as a political project and its lack of success, to the economic warfare against the South in the 1970s, to the changing global geography of production since the 1970s.¹⁰⁰ These political histories yield a very different—and much needed—perspective on global inequality than the developmentalist framework.

This book contributes to current research by investigating *themes* that have received relatively little attention in the literature so far. Existing research on inequality has looked at inequality in relation to different themes, an obvious example being the relationship between capitalism and inequality. Does capitalism lead to more inequality? While plenty of research shows that there is indeed a deep relationship between the two, others have pointed to the varieties of capitalism one finds in different countries and regions.¹⁰¹ As Göran Therborn notes, capitalism can be “taught how to behave.”¹⁰² Similarly, the relationship between inequality

⁹⁸ Simon Reid-Henry, *The Political Origins of Inequality* (Chicago, IL: Chicago U.P., 2015), 16.

⁹⁹ Reid-Henry, *The Political Origins*; Jason Hickel, *The Divide: A Brief Guide to Global Inequality and its Solutions* (London: William Heinemann, 2017).

¹⁰⁰ Prashad, *The Poorer Nations*.

¹⁰¹ In a vast literature on varieties of capitalism and welfare state regimes, see, for example, Walby, *Globalization and Inequalities*, 132–152; Peter A. Hall & David Soskice (eds.), *Varieties of Capitalism: The Institutional Foundations of Comparative Advantage* (Oxford: O.U.P., 2001); Gregory Jackson & Richard Deeg, “Comparing Capitalisms: Understanding Institutional Diversity and its Implications for International Business,” *Journal of Business Studies* 39 (2008): 540–561; Gøsta Esping-Andersen, *The Three Worlds of Welfare Capitalism* (Cambridge: Polity Press, 1990).

¹⁰² Therborn, *Killing Fields*, 171.

and globalization also defies simplistic narratives. Some scholars have suggested disentangling different kinds of processes typically associated with globalization, leading to new, nuanced, and fascinating insights into the effects of, for example, trade or direct foreign investment on global inequality.¹⁰³ Along similar lines, it is misleading to equate globalization with neoliberalism, not least because globalization also involves the rise of new forms of global civil society organizations and global governance that are concerned with social democracy and environmentalism.¹⁰⁴

The history of statistics, economics, international organizations, and of legitimization are important themes to explore further in the context of global inequalities. The history of statistics on inequality and the history of economics are important fields of inquiry (see Cook, Lepenies, and Pinto in this volume). Similarly, the relationship between the UN and global inequalities deserves closer attention (see the chapters by Christiansen, Jensen and van Trigt in this volume). The United Nations as a crossroads of global politics and diplomacy simply operates with a different temporality or chronology when it comes to how it has addressed global inequalities since 1945. It is a rich source for debate, analysis, and contestation over the nature of these inequalities and it challenges chronologies based on domestic political developments, public debates, and academic research. The United Nations had had a distinct renewed engagement with the problem of global inequality for several years before the financial crisis of 2008 sparked a worldwide emphasis on the question.¹⁰⁵

Only to a limited extent has historical research on inequality examined the relationships between inequality and legitimization.¹⁰⁶ How are modern inequalities justified? Historically and today, rising levels of various kinds of inequality have often been accompanied by justifications of inequality, such as trickle-down economics, marginal productivity theory, “scientific” racism, and so on.¹⁰⁷ The Western world has witnessed a remarkable change towards an increased justification of economic inequality after

¹⁰³ Holton, *Global Inequalities*, 120–135.

¹⁰⁴ Walby, *Globalization and Inequalities*, 154.

¹⁰⁵ See, for example, United Nations, *The Inequality Predicament: Report on the World Social Situation* (New York, 2005).

¹⁰⁶ Rosanvallon, *Society of Equals*, 87–111.

¹⁰⁷ John Amis, Kamal A. Munir & Johanna Mair, “Institutions and Economic Inequality,” in *The SAGE Handbook of Organizational Institutionalism*, 2nd ed., ed. R. Greenwood, C. Oliver, T. Lawrence & R.E. Meyer (London: SAGE Publications Ltd, 2017), 705–736; Wisman & Smith, *Legitimizing Inequality*.

the 1970s. If gender and racial inequality were increasingly delegitimized in post-war languages on inequality, which vocabularies—besides the perhaps obvious neoliberal ones—have been used to legitimize high levels of economic inequality? Critiques of rising inequality have been met with new defences of inequality by leading economists such as Gregory Mankiw.¹⁰⁸ Where recent research has shown that economic inequality is extremely resilient, perhaps one additional reason for this resilience is its strong ideological support.¹⁰⁹ How, for example, are recent increases in inequality levels in countries such as China, India, or Ghana legitimized? Do they form part of a global pattern in which countries are becoming more accepting of high levels of inequality? Contributions to this book, such as those by Christiansen, Thompson, and Ravinder Kaur, highlight the importance of how words, concepts, and ideas structure and legitimize inequalities.

Above all, of course, this book offers a *historical* approach to global inequalities. Recently, mapping and explaining the longer history of world economic development and inequality has been a key endeavour for best-selling economists such as Thomas Piketty and Angus Maddison and historian Walter Scheidel.¹¹⁰ Geographers, anthropologists, and others have also taken on a historical approach to their mappings of global inequality.¹¹¹ They have done so with often very different results, readings, and assessments of the history of global inequality.

The value of a historical perspective on inequalities, however, still merits more attention. The historical approach has the merit of comparing and judging developments over a long time span, thereby contributing with a unique sense of orientation in the context of present-day arrangements. It can also point to the existence of important path dependencies that also defy simplistic accounts of inequalities, such as global capital accumulation. Research has demonstrated the deep histories and long-term impacts of colonialism, imperialism, racism, and slavery on present-day inequalities

¹⁰⁸ Gregory Mankiw, “Defending the One Percent,” *Journal of Economic Perspectives* 27, no. 3 (2013): 21–34; Finis Welch, “In Defense of Inequality,” *The American Economic Review*, 89, 2 (1999): 1–17.

¹⁰⁹ Piketty, *Capital*; Scheidel, *The Great Leveler*.

¹¹⁰ Piketty, *Capital*, 59–71, 430–467; Angus Maddison, *Contours of the World Economy, 1-2030 AD: Essays in Macro-Economic History* (Oxford: Oxford U.P., 2007); Scheidel, *The Great Leveler*.

¹¹¹ Reid-Henry, *The Political Origins*; Hickel, *The Divide*; Prashad, *The Poorer Nations*.

(see the chapter by Sacteur in this volume).¹¹² For example, studies have documented the long-term impacts of slavery in the mid-nineteenth-century United States on white-black inequality in the United States today, as well as the impact of the slave trade on African countries today.¹¹³ Another set of examples are the deep histories of various kinds of original accumulation, such as the long-term effects of enclosures, land grabbing and the dispossession, displacement and destruction of indigenous peoples. A further set of examples include long-lasting effects of Cold War politics on colonial and postcolonial countries. Against the simplistic view that poor countries simply need to tighten up their institutional design (cf. the critique of the developmentalist paradigm in the above), there is a need for an acknowledgment of long-term effects on governance, corruption levels, and so on derivative from meddling with the political system or outright support of *coup d'états* in other countries. Methodological nationalism fails to take into consideration the dynamics of international politics that have shaped the trajectories of nation states.

This is not to say that a global historical perspective on inequality is not without its pitfalls. The analytical value of the very terms “global” and “globalization” has been of much debate among historians. Is the whole world or globe the best analytical frame to address some of the many inequalities that transcend national boundaries? Or, to paraphrase Frederick Cooper: how global should the histories of global inequalities be?¹¹⁴ While a global perspective on inequality can bring in many new voices and enable the study of inequality patterns that go beyond nation states, and so on, there are also limitations to viewing inequalities through a global lens. It can become too morally loaded, implying that it is, *a priori*, better than other, more limited investigations. A global lens may overemphasize relations and connections that are there, but are weaker than other, more specific national, transnational, or regional connections. The concept of the global may downplay other important international, transnational, or regional frameworks, such as the still vast inequalities between North and South. The global or planetary brings new insights to life but it should not be at

¹¹² Holton, *Global Inequalities* 57, 65–68; McGill, *Global Inequality*, 7–9, 20.

¹¹³ Heather O’Connell, “The Impact of Slavery on Racial Inequality in Poverty in the Contemporary US South”, *Social Forces* 90, no. 3 (2012): 713–734; Nathan Nunn, “The Long-Term Effect of Africa’s Slave Trades,” *Quarterly Journal of Economics* 123, no. 1 (2018): 136–176.

¹¹⁴ Frederick Cooper, “What is the Concept of Globalization Good for? An African Historian’s Perspective,” *African Affairs* 100, no. 399 (2001): 189–213.

the expense of other analytical frames which, at times, are closer to the historical realities of inequalities.

Bearing these reservations in mind, there are indeed a number of themes and analytical perspectives unique to a historical approach to global inequalities.¹¹⁵ These include making international, transnational, and global comparisons, examining inequalities across national borders with a comparative perspective. They include studying international, transnational, and global entangled histories, that is, where inequalities are directly linked to one another. They include studying the use of particular concepts in addressing inequalities, and how specific actors operated with these concepts. They include studying past constructions of asymmetrical relationships between different cultures or groups, such as in studies of gender, race, and ethnicity. They include studying how inequalities were shaped, discussed, and conceptualized across a broad range of geographical areas, dimensions, and various kinds of literature and materials in order to unpack the many different dimensions and faces of global inequalities which cannot be covered by statistics and numbers.

As this volume demonstrates, there is ample space for more historical research on global inequalities. This is also the case for what concerns some important themes which this volume has not addressed—but where promising research is being made—such as the relationships between inequalities and taxation, tax havens, climate change, oligarchy, and elites.¹¹⁶ Historical research on global inequality is not at the beginning. Neither is it at anywhere near an end.

Current levels of inequality are at a grotesque level. The new “Gilded Age” of global inequality needs new histories that can help us better understand how we got here—and where we can go from here.

¹¹⁵ Andersen & Thorup, “Indledning.”

¹¹⁶ On inequality and climate change, see, for example, Hickel, *The Divide*; on tax evasion and tax havens, see, for example, Brooke Harrington, *Capital Without Borders: Wealth Managers and the One Percent* (Cambridge, MA: Harvard U.P., 2016) or, historically, Vanessa Ogle, “Archipelago Capitalism: Tax Havens, Offshore Money, and the State, 1950s–1970s,” *The American Historical Review* 122, no. 5, 1 (2017): 1431–1458; on oligarchy, see, for example, Jeffrey A. Winters, *Oligarchy* (Cambridge, Cambridge U.P., 2011).

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Inequality in the History of Economic and Political Thought



Historicizing Piketty: The Fall and Rise of Inequality Economics

Eli Cook

The floodgates of inequality economics have opened. The wave of studies ushered in by the unprecedented success of Thomas Piketty's *Capital in the Twenty-First Century* in 2014 have, in the past few years, come in many shapes and sizes: We now have global analyses such as Branko Milanovic's *Global Inequality*, centuries-long histories such as *Unequal Gains*, and a collected volume dedicated entirely to the future of the inequality agenda fittingly named *After Piketty*. The dramatic titles of other recent books reveal the current mood of inquiry, be it Thomas Shapiro's *Toxic Inequality: How America's Wealth Gap Destroys Mobility, Deepens the Racial Divide, & Threatens Our Future*, Dean Baker's *Rigged: How Globalization and the Rules of the Modern Economy Were Structured to Make the Rich Richer*, Steven Teles and Lindsey Brink's *The Captured Economy: How the Powerful Enrich Themselves, Slow Down Growth, and Increase Inequality* or Brian Alexander's *Glass House: The 1% Economy and the Shattering of the All-American Town*. It appears that the "1 per cent" have been, as Piketty's graphs famously revealed, gobbling up not only much of the wealth and

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income these past few decades but, in recent years, also the attention of economists, journalists and public intellectuals.¹

The “Piketty Effect” has spread into political and policymaking circles as well. If there is, for example, one constant in the left rhetoric of Bernie Sanders, the most popular politician in the United States according to 2017 polls, it is his dogged emphasis on the massive wealth disparities between the super-rich and “the 99 per cent.” The popularizing of the term “the 99 per cent,” by David Graeber and the leaders of Occupy Wall Street, in fact, would not have been possible without the data that was collected and distributed by Piketty regarding the enormous income gains of the top centile in the past 40 years. A visit to inequality.org reveals a long list of think tanks, academic centres and public interest groups who now focus on inequality, be it the Economic Policy Institute, the Washington Center for Equitable Growth or the LSE International Inequality Institute. Inequality has even seeped into the staid world of central banking. U.S. Federal Reserve Chair Janet Yellen spoke at a Fed conference in Boston in the fall of 2014, just as Piketty’s book was becoming a global sensation. “The extent of and continuing increase in inequality in the United States greatly concern me,” Yellen said. “I think it is appropriate to ask whether this trend is compatible with values rooted in our nation’s history, among them the high value Americans have traditionally placed on equality of opportunity.” As the *New York Times* rightly noted at the time, “by the cautious standards of central bankers,” Yellen’s

¹Thomas Piketty, *Capital in the 21st Century* (Cambridge, MA: Harvard University Press, 2014); Branko Milanovic, *Global Inequality: A New Approach for the Age of Globalization* (Cambridge, MA: Harvard University Press, 2016); Peter H. Lindert and Jeffrey G. Williamson, *Unequal Gains: American Growth and Inequality Since 1700* (Princeton: Princeton University Press, 2016); *After Piketty: The Agenda for Economics and Inequality*, eds. Heather Boushey, J. Bradford DeLong and Marshall Steinbaum (Cambridge, MA: Harvard University Press, 2017); Thomas Shapiro, *Toxic Inequality: How America’s Wealth Gap Destroys Mobility, Deepens the Racial Divide, & Threatens Our Future* (New York: Basic Books, 2017); Dean Baker, *Rigged: How Globalization and the Rules of the Modern Economy Were Structured to Make the Rich Richer* (Washington, DC: Center for Economic Policy Research, 2016); Steven Teles and Lindsey Brink, *The Captured Economy: How the Powerful Enrich Themselves, Slow Down Growth, and Increase Inequality* (New York: Oxford University Press, 2017); Brian Alexander, *Glass House: The 1% Economy and the Shattering of the All-American Town* (New York: St. Martin’s Press, 2017).

words were “downright radical.” As we will see, this is not how Fed Chairs spoke about inequality before Thomas Piketty.²

The goal of this chapter, however, is not to focus on the revival of inequality economics. Rather, it is to try to answer a simple yet oft-overlooked question: What took so long? For all the attention it has garnered, it is easy to forget that Piketty’s book became a smash hit not because of its explanatory power (few have actually agreed with his $r > g$ model) but rather mostly thanks to his fairly straightforward empirical project which measured how income and wealth have been distributed in the United States and Western Europe across centuries. While Piketty and his colleagues’ impressively Sisyphean archival work should be commended, the question still must be asked: If the second half of the twentieth century was hardly lacking in economists, how come Piketty’s study had not already been carried out on numerous occasions? In the few cases in which similar, albeit far more modest, studies were undertaken, why were they mostly cast aside? Or, to put it another way: If, as we shall see, the question of economic inequality was central in the nineteenth century, why was it marginalized for much of the second half of the twentieth, only to return with a vengeance in the twenty-first?³

I am hardly the first person to recognize the fall of distributive economics in mid-twentieth-century Western thought. In *Capital in the 21st Century*, Piketty himself notes how “it is long since past the time when we should have put the question of inequality back at the centre of economic analysis and begun asking questions first raised in the nineteenth century. For too long, economists have neglected the distribution of wealth.” Twenty years earlier, the same complaints were being heard by one of the

²Drew Schwartz, “Bernie Sanders is the Most Popular Politician in America, Poll Says,” *Vice.com*, Aug 25th, 2017; www.inequality.org/resources/organizations; Neil Irwin, “What Janet Yellen Said, and Didn’t Say, About Inequality,” *New York Times*, Oct 17, 2014.

³For the typical enthusiastic response to Piketty yet disagreement with $r > g$, see Paul Krugman, “Why We’re in a New Gilded Age,” *New York Review of Books*, May 8, 2014; James K. Galbraith, *Capital for the Twenty-First Century?* *Dissent* (Spring, 2014); to be sure, there are a number of important exceptions in which economists did study inequality in the twentieth century, although most remained outside the neoclassical mainstream. See the life’s work of Anthony Atkinson, including such works as *The Economics of Inequality* (New York: Oxford University Press, 1983); Claudia Goldin and Robert Margo, “The Great Compression: The Wage Structure in the United States at Mid-Century,” NBER Working Paper 3817 (August, 1991); James D. Smith, eds., *Modeling the Distribution and Intergenerational Transmission of Wealth* (Chicago: Chicago University Press, 1980); Amartya Sen, *On Economic Inequality* (Oxford: Oxford University Press, 1973).

few economists who did focus on inequality. In April 1996, Sir Anthony Atkinson—who Piketty has labelled the “godfather” of inequality economics—gave the presidential address to the Royal Economic Society of England. Atkinson opened his talk by noting that “the subject of income distribution has in the past been marginalized. For much of this century, it has been very much out in the cold.” Continuing, Atkinson noted how, for the past 50 years, only about 4 per cent of *The Economic Journal* articles, one of the leading economics journals for much of the twentieth century, had dealt with income distribution. In comparison, Atkinson demonstrated how international economics produced on average four times as many articles during that time span. In the 1970s, for instance, a quarter of the articles in the *Journal* were on globalization but only about *one* article per year was on distribution or inequality.⁴

Economists’ own comments during the 1970s provide further evidence for Atkinson’s claims. In 1974, for example, Alan Blinder published his PhD dissertation on income distribution which he had submitted a few years prior. In the preface to the book, Blinder noted how in the late 1960s and early 1970s “it appeared, at least to a graduate student single-mindedly immersed in the study of income distribution, that the profession was on the verge of a burgeoning interest in inequality, that the economic ‘pie’ had at last grown large enough so that more attention could be paid to its division and less to its size.” Yet, as Blinder goes on to explain, the early 1970s “belied these lofty expectations, especially in so far as theoretical work is concerned...the university that offers a course on income distribution is still the exception rather than the rule.” Likely recognizing that inequality economics would not be the way to move up in the profession, the ambitious Blinder—he would go on to head President Bill Clinton’s Council of Economic Advisers in the 1990s—abandoned inequality for more mainstream topics such as monetary policy and human capital theory. He was not the only economist to make this shift. Blinder’s

⁴Anthony Atkinson, “Bringing Income Distribution in From the Cold,” *The Economic Journal* 107 (Mar, 1997): 297–231. For other works that have suggested that inequality was marginalized by economists in the twentieth century, see Daniel Hirschman, “Inventing The Economy: How We Learned To Stop Worrying and Love the GDP,” (PhD Dissertation, 2016), 158–206; Michele Alavich and Anna Soci, *Inequality: A Short History* (Brookings Institution Press, 2017), 29–53; Maurice Dobb, *Theories of Value and Distribution Since Adam Smith: Ideology and Economic Theory* (New York: Cambridge University Press, 1975).

PhD advisor Robert Solow had also written his 1951 Harvard thesis on income inequality before turning to the issue of growth instead.⁵

So why was inequality economics marginalized in the latter half of the twentieth century? Piketty and others have placed much of the blame at the feet of Simon Kuznets and his famous 1954 American Economic Association presidential speech which gave birth to the “Kuznets Curve.” In that talk, Kuznets posited that as capitalist societies develop, levels of inequality naturally tend to decline. Writing in the 1950s, one can understand why Kuznets would think this was so: he was basing his hypothesis on empirical data which showed (as does Piketty’s current figures) a marked decline in inequality in the first half of the twentieth century, especially during and following World War II.⁶

Piketty is right that Kuznets allowed future economists, when confronted with the issue of inequality, to mumble a few words about the Kuznets Curve and move on to what they felt were more pressing inquiries. Nevertheless, this explanation will not suffice. When actual income inequality began to rise in the mid-1970s, the study of income inequality did not follow suit. What is more, the neglect of inequality economics in the mid-to-late twentieth century is so striking that it cannot be explained away by a single speech or “curve.” Economists did not start ignoring inflation or unemployment when they happened to be low. Even Piketty seems to agree that there is more at work here. As he writes in his book, the neglect of distributional issues was also “partly because of the profession’s undue enthusiasm for simplistic mathematical models.” Yet except for some vague name-calling—Piketty later refers to neoclassical economics as “childish”—he never explains why or how exactly mainstream, mathematical economics downplayed inequality.⁷

The goal of this chapter is to explain precisely that. It will argue that it was, in fact, the slow yet steady rise of neoclassical economics in the first four decades of the twentieth century that effectively ended up marginalizing the issue of economic distribution in favour of the maximization of economic production and national growth in the latter half of the twentieth century. More specifically, I contend that three central theoretical

⁵ Alan Blinder, *Toward an Economic Theory of Income Distribution* (Cambridge, MA: MIT Press, 1974).

⁶ Piketty, *Capital*, 11–15; Simon Kuznets, “Economic Growth and Income Inequality,” *American Economic Review* 45 (March, 1955): 1–28.

⁷ Piketty, *Capital*, 16–17. Piketty, in fact, seems puzzled, noting that “oddly, no one has ever systematically pursued Kuznets work.”

pillars of neoclassical economics were most responsible for the downplaying of inequality and distribution for the remainder of the twentieth century: marginal productivity, utility theory and Pareto optimality. While some economists frame the history of economic thought as being driven mostly by the internal improvement of the discipline in its long march towards scientific truth, these neoclassical pillars did not emerge in a historical vacuum strictly because they were empirically more accurate than past models. Historians in recent years have shown that neoclassical economics was shaped by an assortment of political, social and cultural forces, be it the rise of consumer culture, corporate finance, modern psychology, social democracy or thermodynamic physics. In this brief chapter, I cannot touch on all the forces that led to the rise of neoclassical economics. I will, however, stress one crucial dimension that is most relevant to our discussion: the desire to downplay, marginalize and mitigate distributional questions and conflicts because they were deemed either too dangerous, moralizing or unimportant. In other words, the meteoric rise of neoclassical economics did not only lead to a sharp decline in distributive economics, but was partially constituted by this very goal.⁸

One final point. While this chapter will focus mostly on Anglo-American economic thought, the impact of these intellectual developments would soon reverberate around the world. As neoclassical economists came to hold a dominant grip on the Nobel Prize in economics, the top universities in the world, the World Bank, leading academic journals and countless other national and global institutions, the neglect of inequality slowly spread across the globe. As such, the marginalization of inequality in the second half of the twentieth century eventually became not only a Western intellectual phenomenon but a global one.

⁸For the history of neoclassical economics, see Yuval Yonay, *The Struggle for the Soul of Economics: Institutional and Neoclassical Economists in America Between the Wars* (Princeton: Princeton University Press, 1998); Philip Mirowski, *More Heat Than Light: Economics as Social Physics, Physics as Nature's Economics* (New York: Cambridge University Press, 1989); Eli Cook, "The Neoclassical Club: Irving Fisher and the Progressive Origins of Neo-liberalism," *Journal of the Gilded Age and Progressive Era*; Jamie Morgan, ed. *What is Neoclassical Economics? Debating the Origins, Meaning and Significance* (New York: Routledge, 2016).

THE CENTRALITY OF DISTRIBUTION IN CLASSICAL ECONOMICS

Henry George's *Progress and Poverty* in 1879 was the last great work of what historians have referred to as "classical" economics. As I have noted elsewhere, there are great similarities between George and Piketty's works. Both came out exactly six years after a major economic crisis (the "panic of 1873" was considered, at its time, the greatest economic downturn in history) and both became global sensations. Both believed that inequality was caused by the ever-increasing concentration of unearned wealth in the hands of an elite class of unproductive rentiers. Both also argued for a simple solution—a tax on wealth that would prevent elites from profiting off the mere possession of property. Most importantly, however, at the heart of both books lay a disturbing correlation between capitalist growth and economic inequality. "Where...wealth is greatest, and the machinery of production and exchange most highly developed," George pointed out in his opening statement, "we find the deepest poverty, the sharpest struggle for existence, and the most enforced idleness." Continuing, he stunned many readers by declaring that "material progress does not merely fail to relieve poverty—it actually produces it." Much like Piketty, George saw rising inequality not as a distortion of capitalist development but its direct outcome.⁹

It was this notion that capitalist development brought with it great wealth to some but terrible suffering to others that gave George's book its radical and critical bite. Yet despite this—and the fact that his call for a "single tax" on the unearned rent of land monopolizers directly challenged the basic liberal tenets of private property—his work was still very much in line with the English classical tradition of Adam Smith, David Ricardo and John Stuart Mill. While not reaching the same subversive conclusions as George, these men had also been most interested, if not at times obsessed, in understanding how the fruits of market production were *divided* between the three classes of society—landholding aristocrats, profit-seeking capitalists and wage-labouring workers. They did so in part because they believed distribution to be an important social and moral issue that should not be ignored. But they also did so because they believed that it was the social relationships *between* these three social classes (rather

⁹ Henry George, *Progress and Poverty: An Inquiry into the Cause of Industrial Depression and of Increase of Want with Increase of Wealth* (New York: 1879), 5.

than mere market supply and demand) that determined not only the rate of compensation of each class in the form of rent, profit and wages but the price of all market commodities. In classical economics, in fact, the market does not really set the price of goods at all. Rather, the “natural price” of any commodity is set by the rates of wages, rent and profit which, in turn, are set by the social relations between workers, capitalists and landholders. In this theoretical world, which focuses mostly on economic *production*, exchange serves only as the tool through which market prices become aligned with natural prices. In short, to study any aspect of “the economy” in classical economics, you had to study the distribution of wealth and income because it was these forces which determined the prices of all goods.¹⁰

George’s focus on inequality, therefore, was no great departure from the classical economists who came before him, especially Ricardo and Mill. They too had placed the distribution of income at the centre of their discipline. Ricardo, for instance, famously began his magnum opus of 1817 by stating:

The produce of the earth—all that is derived from its surface by the united application of labour machinery and capital, is divided among the three classes of the community: namely the proprietor of the land, the owner of the stock of capital for its cultivation, and the labourers by whose industry it is cultivated. But in different stages of society, the proportions of the whole produce of the earth which will be allotted to each of these classes, under the names of rent, profit and wages, will be essentially different...to determine the laws which regulate this distribution, is the principal problem in political economy.

Mill would continue Ricardo’s emphasis on distribution, noting how “it is only in the backwards countries of the world that increased production is still an important object; in those most advanced, what is economically needed is a better distribution.”¹¹

¹⁰ Samuel Hollander, *Classical Economics* (Oxford: Blackwell, 1987); Mark Blaug, *Economic Theory in Retrospect* (Cambridge: Cambridge University Press, 1997) ch. 2–7. Dobb, *Theories of Value*.

¹¹ David Ricardo, “Preface to Principles”, Piero Sraffa ed., *The Works and Correspondence of David Ricardo* (1951) 1: xlviii; John Stuart Mill, *Principles of Political Economy*, (London, 1871), 755.

George, moreover, was not only continuing the tradition of English classical economics but also that of American republicanism and produce-rism. The United States came into being as a society of freehold farmers and planters who placed an enormous emphasis on the basic freedom (if you were white) to receive a “full return of one’s labour.” Steeped in the labour theory of value not of Karl Marx but Benjamin Franklin, nineteenth-century white men in the United States were raised to believe that an unequal distribution of wealth or income was unnatural and therefore *must* stem from exploitative social relations in which labourers do not receive all that they have produced. As the prototypical American economic thinker Edward Kellogg noted in his 1849 book *Labor and Other Capital*, “to obtain labor without rendering a fair equivalent is also a violation of the rights of property.” In his eyes, like that of most Americans of his day, this meant that “the great disparity in the conditions of the rich and poor is the natural result of unjust laws.”¹²

Such Americans also found a basis for their claims in English classical economics. Following in the footsteps of Ricardo and Mill, most nineteenth-century economic thinkers in the United States believed that a capitalists’ profit stemmed from his selling of goods for more than his workers had been paid to make them. This approach positioned labourers and capitalists in a zero-sum struggle for the economic surplus. “If... wages should rise,” Ricardo repeatedly stated, “profits would necessarily fall.” Or, as Mill noted in 1869, if a capitalist “has to pay more for labour, the additional payment comes of of his own income.”¹³

There were, of course, plenty of conservative economists who pushed back on this idea throughout the nineteenth century. Classical economists like France’s Frederic Bastiat and England’s Nassau Senior argued that the profits of capital did not come from their power struggle with labour or their appropriation of the surplus but rather from risk, abstinence, skill, entrepreneurship and other positive qualities. “Capital has its roots in three attributes of man,” Bastiat typically declared in 1850, “foresight, intelligence, and thrift.” Yet, try as these conservatives might to separate

¹² Edward Kellogg, *Labor and Other Capital: The Rights of Each Secured and the Wrongs of Both Eradicated* (New York, 1849), 80; see also James Huston, *Securing the Fruits of Labor: The American Concept of Wealth Distribution, 1765–1900* (Baton Rouge: Louisiana State University Press, 1998); Michael Thompson, *The Politics of Inequality: A Political History of the Idea of Economic Inequality in America* (New York: Columbia University Press, 2007).

¹³ Ricardo, *On the Principles of Political Economy* (London: Empiricus Books, 2006), 65; John Stuart Mill, *Thornton on Labor Claims* (London, 1869), 645.

profits from wages, the labour theory of value which stood at the centre of classical economics made this very hard to do since it was assumed that wealth was created mostly by workers. To make matters worse for such economists, by the late nineteenth century a far more radical thinker than Ricardo, Mill or even George had turned to the classical labour theory of value in order to argue that the exploitative basis of capitalist accumulation meant the entire system must be overthrown: Karl Marx. All across Europe, waves of socialists turned to Marx's economic writings in order to prove that capital profits were nothing more than the appropriated "surplus value" of exploited labour. It was in the midst of these political pressures that our first neoclassical pillar was born.¹⁴

PILLAR I: THE THEORY OF MARGINAL PRODUCTIVITY

The year was 1899 and Columbia Economics Professor John Bates Clark—the undisputed American father of neoclassical economics—was gravely concerned. He felt that all this socialist talk in Europe and the United States about inequality and exploitation was threatening to destabilize the very foundations of a modern, capitalist society. As he saw it,

the welfare of the laboring classes depends on whether they get much or little; but their attitude toward other classes—and, therefore, the stability of the social state—depends chiefly on the question, whether the amount that they get, be it large or small, is what they produce. If they create a small amount of wealth and get the whole of it, they may not seek to revolutionize society; but if it were to appear that they produce an ample amount and get only a part of it, many of them would become revolutionists, and all would have the right to do so. The indictment that hangs over society is that of "exploiting labor." "Workmen" it is said, "are regularly robbed of what they produce. This is done within the forms of law, and by the natural working of competition." If this charge were proved, every right-minded man should become a socialist; and his zeal in transforming the industrial system would then measure and express his sense of justice.¹⁵

¹⁴Frederic Bastiat, *Economic Harmonies*, George B. de Huszar, trans. and W. Hayden Boyers, ed. 1996. Library of Economics and Liberty. 11 February 2018. <http://www.econlib.org/library/Bastiat/basHar7.html>; on Europe, see Albert Lindemann, *A History of European Socialism* (New Haven: Yale University Press, 1984); on Marx's theory of exploitation, see Karl Marx, *Wage Labor and Capital*, trans. Friedrich Engels (London, 1891).

¹⁵John Bates Clark, *The Distribution of Wealth* (New York, 1899) v; on Clark, see John F. Henry, *John Bates Clark: The Making of a Neoclassical Economist* (New York: Springer,

Luckily for “the stability of the social state,” in the same book in which Clark voiced these concerns, he also presented a novel economic theory which claimed to prove that the distribution of wealth in a competitive market society was, in fact, inherently just and that there simply was no such thing as labour exploitation. On the contrary, according to Clark, every class in society got what it deserved for it earned what it had produced. The book was titled *The Distribution of Wealth* and its main goal was made perfectly clear in its opening pages:

It is the purpose of this work to show that the distribution of the income of society is controlled by a natural law, and that this law, if it worked without friction, would give to every agent of production the amount of wealth which that agent creates.¹⁶

Unlike in classical economics, where labourers and capitalists fought over the same pool of surplus production, Clark sought to insulate the economic mechanism through which wages were determined from the economic mechanism through which profits and rents were determined. Here too, Clark was refreshingly open about the political reasons for wanting to do this, noting that “it was the claim advanced by Henry George...that first led me to seek a method by which the product of labor everywhere may be disentangled from the product of cooperating agents and separately identified.” As neoclassical economist Frank Fetter later recognized, “one can hardly fail to see on almost every page” of Clark’s writings the single-tax spectre of Henry George.¹⁷

Clark’s great innovation was to treat the labour of workers, the capital of capitalists and the land of landholders as three utterly separate “factors of production” whose respective incomes in the form of wages, profits and rents were determined in three utterly separate markets by their owner’s own marginal productivity. According to Clark, a worker earned \$10 an hour not because his boss may be exploiting him but rather because that was the contribution of his final (or marginal) hour of labour to the production process. On the other hand, a capitalist may earn \$10,000 in profit not because he had the social power that accompanied the ownership

2016); Joseph Persky, The “Neoclassical Advent: American Economics at the Dawn of the 20th Century,” *Journal of Economic Perspectives* 14 (Winter, 2000): 95–108.

¹⁶ Clark, *Distribution of Wealth*, vi.

¹⁷ Ibid., viii; Frank Fetter, *Capital, Interest and Rent: Essays in the Theory of Distribution* (Menlo Park: The Institute for Humane Studies, 1977), 127.

of the means of production but rather because this was the productive contribution of the machinery he owned. The moral of the model was clear: the distribution of wealth in free market societies was inherently fair. So long as the government or unions did not interfere in the workings of a competitive market, both worker and capitalist would receive their just deserts.¹⁸

As the title of his book makes plain, Clark clearly did not ignore or downplay the issue of economic distribution. Quite the opposite in fact. Yet as his marginal productivity theory grew to become one of the central pillars of neoclassical economics in the second half of the twentieth century, its effect was largely to sideline questions of distribution. For if each person in society received what they had produced, then what mattered most was not the question of inequality but rather *productivity*. So long as neoclassical economists studied ways in which to increase productivity, they had little need to examine how it was actually distributed. As a result, the neoclassical economists who followed in Clark's footsteps put far less of an emphasis on distribution. For example, in 1946 Yale Economics Professor and neoclassical *savant* Irving Fisher derided socialists who thought "the problem of economic mass welfare is primarily one of *distribution*," arguing, rather, that "it is primary one of production." Clark's claim also took the ethical sting out of inequality. Since each person gets what he deserves, whatever inequality that does exist in society is legitimate.¹⁹

To see the long-term impact of Clark, look no further than Paul Samuelson's *Economics: An Introductory Analysis*, which became the best-selling economics textbook of all time in the latter half of the twentieth century. In the seventh edition from 1967, there are over 800 pages. How many directly examine the issue of wealth or income inequality? About two dozen. Why so few? We will get to the other main reasons in a moment but it is interesting to note that in his discussion on economic distribution

¹⁸Nancy Cohen, *The Reconstruction of American Liberalism* (Chapel Hill: University of North Carolina Press, 2002), 279–285; Jon Levy, "Capital as Process and the History of Capitalism," *Business History Review* (2017): 1–28.

¹⁹Irving Fisher, "An Address on the Irving Fisher Foundation, Sept. 11, 1946" in *The Works of Irving Fisher*, William J. Barber ed. (London: Pickering and Chatto, 1997) 1: 29. Earlier in his career, Fisher had placed a somewhat larger focus on inequality. See Fisher, "Economists in Public Service: Annual Address of the President," *The American Economic Review* 9, no. 1 (Mar. 1919); Alfred Marshall, *Principles of Economics* (London: Macmillan, 1890), 335.

Samuelson instructs his readers “to appreciate J.B. Clark’s advance over such classical economics as David Ricardo.” Moreover, he argues not only that “the Clark neoclassical theory of distribution, although simplified, is logically complete and a true picture of idealized competition,” but also that empirical evidence “seems to provide rough corroboration for [his] theories of production and marginal-products.”²⁰

The Chicago School’s notion of “human capital,” which took off in the 1960s and 1970s, also reveals how marginal productivity theory led many economists to focus more on productivity than distribution. In the late twentieth century, human capital theory quickly became the most dominant approach by labour economists for not only valuing people but explaining inequality. In treating people as capitalized factors of production much like machines, human capital theory posited—just like Clark—that labour wages were largely determined by labour productivity which, in turn, was largely determined by how much a worker “invested” in themselves to improve the “rate of return” on their human capital. In following Clark’s theory of marginal productivity, these labour economists did not usually examine how the economic pie or national income was divided between labour and capital. Rather, since they assumed that each worker earned what he or she in fact produced, they focused only on the question of labour productivity and how it could be increased via self-investments in training and education. Just as Clark had intended over 100 years before, gone were the classical economic questions regarding the ways in which social or power relations influenced the distribution of wealth or income between labour and capital.²¹

PILLAR II: THE CONSUMERIST TURN OF UTILITY THEORY

Another key reason neoclassical economics came to downplay distribution was its shift from a labour theory of value which focused on production to a utility theory of value which emphasized consumption. Unlike classical

²⁰ Paul Samuelson, *Economics: An Introductory Analysis, 7th edition* (New York: McGraw-Hill, 1967), 521.

²¹ On human capital, see Jacob Mincer, “Investment in Human Capital and Personal Income Distribution,” *Journal of Political Economy* 66, no. 4 (August 1958): 281–302; Gary Becker, *Human Capital: A Theoretical and Empirical Analysis* (Chicago: Chicago University Press, 1964); Sherwin Rosen, “Human Capital,” in *The New Palgrave Dictionary of Economics*, 2nd ed., ed. Steven N. Durlauf and Lawrence E. Blume (Basingstoke: Palgrave Macmillan, 2008).

economics, in neoclassical economics the distribution of wealth between social classes plays no role in the determination of commodity prices. This is not only because there basically *are* no social classes in neoclassical economics, only individual utility-maximizing exchangers (incredibly, labour can buy capital in neoclassical models just as capital buys labour) but also because neoclassicists believe it is the prices of goods that help determine the rate of wages, profit and rent and not vice versa. The price of any commodity, meanwhile, is determined by the final (or marginal) amount of subjective utility it offers individual consumers and has little to do with the distribution of wealth (or power) in a society.²²

The move from a producerist labour theory of value to a consumerist utility value theory marginalized distribution by offering an alternative meaning of freedom and well-being. While American farmers and European socialists had used a labour theory of value to argue that to be free and prosperous entailed a full return of the fruits of their labour, the invention of marginal utility reflected a consumerist turn which envisioned freedom as the consumption of the fruits of industrial progress. Labourers should not care what the profits of their employers were in comparison to their own wages, the argument went, so long as their “standard of living” and consumer comfort was increasing.²³

A perfect example of this consumerist marginalizing of inequality took place in the late nineteenth century in the United States, just as neoclassical economics was coming into being. As a PhD student at Columbia in the 1880s, Charles Barzilai Spahr wrote a dissertation published later as a book titled *An Essay on the Present Distribution of Wealth in the United States*, Spahr meticulously mined the taxation data at his disposal to make one basic point: as time passed, the distribution of wealth in the United States was becoming more unequal. “Seven-eighths of the families [in America] hold but one-eighth of the national wealth,” Spahr concluded, “while one per cent of the families hold more than the remaining

²² Richard Howey, *The Rise of the Marginal Utility School, 1870–1889* (New York: Columbia University Press, 1989); Margaret Schabas, *A World Ruled by Number: William Stanley Jevons and the Rise of Mathematical Economics* (Princeton, NJ: Princeton University Press, 1990); Dorothy Ross, *The Origins of American Social Science* (New York: Cambridge University Press, 1991), 172–219.

²³ On the producer to consumer shift, see Lawrence Glickman, *A Living Wage: American Workers and the Making of Consumer Society* (Ithaca: Cornell University Press, 1999); Jeff Sklansky, *The Soul’s Economy: Market Society and Selfhood in American Thought, 1820–1920* (Chapel Hill: University of North Carolina Press, 2002).

ninety-nine.” More than a century before Thomas Piketty, Spahr had discovered the infamous “one percent.”²⁴

Spahr, however, has been completely forgotten in large part because of the scathing review he received in the premier academic journal of the era by Columbia University Economics Professor (and close colleague of John Bates Clark) Richmond Mayo-Smith. “Having shown that property and incomes are unequally distributed and that (in his opinion) the inequality is increasing,” Mayo-Smith wrote, “Dr. Spahr seems to think that his task is ended. But that is only the beginning. The real question is whether such a concentration of wealth is not a good thing for the whole community.” Continuing, Mayo-Smith reflected the turn to subjective utility value by arguing that “the happiness of individuals is measured not according to their ownership of property...but according to their command of the enjoyments of life.”

Mayo-Smith’s argument that labour should focus on its subjective consumer enjoyments rather than the unequal gains of capital was repeated numerous times in the second half of the twentieth century. During that era, most economists agreed that the goal of economic policy was not to limit inequality but prevent poverty. No one made this point clearer than Harvard Professor and National Bureau of Economic Research President Martin Feldstein just as economic inequality was finally beginning to return to mainstream American economic discourse in 1999. He did so by arguing that such a focus on inequality stemmed from an ideology of “spiteful egalitarianism” and that economists need not make such trouble-making comparisons:

According to official statistics, the distribution of income has become increasingly unequal during the past two decades. A common reaction in the popular press, in political debate, and in academic discussions is to regard the increase in inequality as a problem that demands new redistributive policies. I disagree. I believe that inequality as such is not a problem and that it would be wrong to design policies to reduce it. What policy should address is not inequality but poverty.²⁵

²⁴ Charles Spahr, *An Essay on the Present Distribution of Wealth in the United States* (Boston, 1896), 69.

²⁵ Richmond Mayo-Smith, “Review,” *Political Science Quarterly* 12 (1897): 346–348; Martin Feldstein, “Reducing Poverty, Not Inequality,” *The Public Interest* 137 (Fall, 1999).

Yet the relationship between the rise of a utility theory of value and the demise of inequality economics in the twentieth century was not nearly so cut and dry. In the first generation following its inception—and crucially before the “Paretian Revival” of the 1930s that would place “Pareto optimality” at the very centre of neoclassical economics—marginal utility actually led many economic thinkers to focus *more* on the relationship between economic inequality and efficiency—not less. In fact, in the late nineteenth century the socialist Fabian society and its leaders Sidney Webb and George Bernard Shaw became enthusiastic proponents of the utility theory of value and its potential for reigniting the case for economic equality. This is because they, and many other pre-Pareto utility theorists in the early twentieth century, were very “Benthamite” in their approach to social welfare.²⁶

Like the eighteenth-century utilitarian philosopher Jeremy Bentham, these economic thinkers believed that in order to measure the total welfare of a society all one had to do was *sum* up the utility consumed by every individual. They argued that it was theoretically possible to add together individuals’ subjective feelings of satisfaction or happiness because individual utilities were *comparable* between people and thus also capable of aggregation. This interpersonal comparison approach to utility theory led to radically egalitarian conclusions: Since all neoclassical economists believed in the principle of diminishing marginal utility, Benthamites logically concluded that the marginal utility of a rich man was lower than that of a poor man. This meant that even if one disregarded the moral elements of inequality, the most *efficient* way to maximize social welfare was to redistribute money from the rich to the poor. As Cambridge economist Arthur Pigou (hardly a radical socialist) explained in his renowned 1920 book *Economics of Welfare*, egalitarianism was the most efficient way to maximize welfare because “more intense wants to be satisfied at the expense of less intense wants must increase the aggregate sum of satisfaction.” Pigou, therefore, concluded that any redistributive policy “which increased the proportion of the national dividend by poor persons,

²⁶ See Mark Bevir, “Sidney Webb: Utilitarianism, Positivism, and Social Democracy,” *Journal of Modern History* 74, no. 2 (June, 2002): 217–252; Yonay, *Struggle for the Soul*, chapter 9.

provided that it does not lead to a contraction of the dividend...will, in general increase economic welfare.”²⁷

PILLAR III: PARETO OPTIMALITY

The egalitarian era of marginal utility theory, however, was short-lived. By the mid-twentieth century, it had been pushed to the heterodox margins of the economics discipline. Since the marginal revolution, there had always been leading neoclassical economists, such as Stanley Jevons, Francis Edgeworth and Vilfredo Pareto, who rejected such arguments for equality. Pareto led the charge in this regard. A classical liberal, men like Pareto were disturbed by the notion that marginal utility theory could be used as a tool to legitimize the redistribution of wealth from the rich to the poor. To counter these arguments, he made key modifications to utility theory in his 1906 book *Manual of Political Economy* that disarmed such egalitarian arguments while also marginalizing the issue of inequality all together. First off, Pareto argued, one could *not* make interpersonal comparisons of utility. Since utility was subjective desire, Pareto contended, it was simply impossible to compare one person’s marginal utility—no matter how rich they happened to be—with that of another. This modification to utility theory led Pareto and other neoclassicists to claim that “Benthamite” economists could not compare the utility of two people nor could they measure social welfare by adding up the utility of all individuals in a given society.²⁸

Basing his analysis on these key assumptions, Pareto came up with his own definition of social optimality. Since the utilities of individuals could not be compared or aggregated, Pareto argued, it was not necessarily economically optimal to take from the rich and give to the poor because it would not be clear if this was a net utility gain for society or not. In a world where interpersonal utility comparisons could *not* be made, Pareto continued, a definite efficiency improvement could *only* take place if one person was made better off without injuring anyone else—even in the

²⁷ AC Pigou, *Economics of Welfare* (London: Macmillan, 1920); see also A. Bergson, *Essays in Normative Economics* (Cambridge, MA: Harvard University Press, 1966).

²⁸ Vilfredo Pareto, *Manual of Political Economy*, trans. Ann Schwieter (New York: AM Kelley, 1971); Joseph Schumpeter, “Vilfredo Pareto, 1848–1923,” *Quarterly Journal of Economics* 63 (May, 1949): 147–173; Maurice Dobb, *Welfare Economics and the Economics of Socialism: Towards a Commonsense Critique* (Cambridge: Cambridge University Press, 1975) 77.

slightest. According to Pareto's logic, even though a starving man could use a dollar far more than a millionaire, if that millionaire felt even an inkling of pain in giving up that dollar, then by definition redistributing the money was not optimal. The principle of "Pareto optimality" which still dominates neoclassical economics was born. With its rise, economists' interest in inequality would significantly wane.²⁹

In time, Pareto optimality would form the core of neoclassical economics' case for free markets as Pigouvian approaches were pushed to the margins. As Pareto (and his Lausanne University predecessor Leon Walras) had argued, the wonder of the unregulated free market lay in its ability to *always* lead society to a Pareto optimal point in which no more transactions could be made that improved one person's lot without harming anyone else's. Translated into highly mathematical terms, the free market's almost magical ability to result in Pareto optimality allocations came to be known as "the first fundamental welfare theorem of welfare economics." For the generations of neoclassical economic students who followed, this theorem would be key not only because proving it required a high level of mathematical expertise but also because it gave a scientific veneer to the idea of "the invisible hand." As Paul Samuelson would explain to generations of economics students in his 1960s textbook, the idea of Pareto optimality had shown that

Adam Smith, in his talk about an Invisible Hand, which led the selfish actions of individuals toward so harmonious a final result, did have some point...Under perfectly perfect competition...where the genuine desires and well-being of individuals are represented by their marginal utilities... then the resulting equilibrium has the efficiency property that 'you can't make any one man better off without hurting some other man.' What does this mean exactly? It means that a planner could not come along with a slide rule and find a solution, different from the laissez-faire one, which could improve the welfare of everyone.³⁰

²⁹ Pareto, *Manual*, 266–269, 451–452.

³⁰ Samuelson, *Economics*, 609; Samuelson goes on to state that this does not mean that Pareto optimality necessarily promotes the "public interest." On first welfare theorem, see Allan Feldman, "Welfare Economics," *The New Palgrave Dictionary of Economics, Second Edition*, eds. Steven Durlauf and Lawrence Blume (New York: Palgrave Macmillan, 2008); Joseph Stiglitz, "The Invisible Hand and Modern Welfare Economics, NBER working paper 3641 (March, 1991).

The idea of Pareto optimality not only helped legitimize free markets but it also reflected the bourgeois ideology of classical, Lockean liberalism: The ownership of private property was a natural right above any artificial state intervention. As such, no infringement on private property, no matter how large the wealth disparities in a society may be, could possibly be socially desirable. Implicit in this argument was the claim that economists need not focus on inequality since any attempts at redistribution would distort the workings of the free market and thus lead to suboptimal allocation points.³¹

Pareto's approach to utility theory did not catch on right away. In fact, it was "Pigouvian" and not "Paretian" welfare economics that seemed to be more popular in the early twentieth century. As a result, one can still find in the early twentieth century many studies on wealth and income inequality, including a ground-breaking report by the American National Bureau of Economic Research in 1920 which rejected many of Pareto's theories. All this changed, however, in the 1930s and 1940s. Within the span of less than two decades, neoclassical economics swung almost completely to the side of Pareto optimality. While the Paretian Revival would encompass the entire discipline—from socialists like Oskar Lange to liberals like Paul Samuelson to conservatives like Milton Friedman—the man perhaps most responsible for bringing this change about was Lord Lionel Robbins, a London School of Economics professor and member of the "neoliberal" Mont Pelerin Society who gave Austrian School economist Friedrich Hayek his first job in England.³²

In the late 1930s, Robbins reiterated Pareto's arguments regarding the inability to make interpersonal utility and, therefore, comparisons between the rich and the poor. In so doing, however, Robbins went one step further than Pareto by reaching the conclusion that *any* analysis of inequality or distribution was inherently normative and, therefore, should play a limited role, if any, in the positivist science of economists. Robbins' 1938 article on interpersonal utility comparisons is widely regarded for turning

³¹ On Lockean Liberalism, see C.B. Macpherson, *The Political Theory of Possessive Individualism: Hobbes to Locke* (Oxford: Clarendon Press, 1962).

³² On Pigouvian Welfare Economics, see Ian Kumeakawa, *The First Serious Optimist: AC Pigou and the Birth of Welfare Economics* (Princeton University Press, 2017); on the Paretian turn, see SAT Rizvi, "Postwar Neoclassical Economics," in *A Companion to the History of Economic Thought*, ed. Warren J. Samuels, Jeff Biddle, and John Davis (Malden, MA: Blackwell, 2003), 377–395.

the tide in the neoclassical economic approach to distribution. Here is the most quoted section:

But as time went on, things occurred which began to shake my belief in the existence between so complete a continuity between politics and economic analysis.... I am not clear how these doubts first suggested themselves; but I well remember how they were brought to a head by my reading somewhere—I think in the work of Sir Henry Maine—the story of how an Indian official had attempted to explain to a high-caste Brahmin the sanctions of the Benthamite system. “But that,” said the Brahmin, “cannot possibly be right—I am ten times as capable of happiness as that untouchable over there.” I had no sympathy with the Brahmin. But I could not escape the conviction that, if I chose to regard men as equally capable of satisfaction and he to regard them as differing according to a hierarchical schedule, the difference between us was not one which could be resolved by the same methods of demonstration as were available in other fields of social judgment.

In conclusion, Robbins declared that “I still cannot believe that it is helpful to speak as if interpersonal comparisons of utility rest on scientific foundations—that is upon observation and introspection...I still think, when I make interpersonal comparisons, that my judgments are more like judgments of value than judgments of verifiable fact.”³³

Not everyone agreed with this argument. In the same year as Robbins’ article was published, Sir Roy Harrod warned that “if the incomparability of utility to different individuals is strictly pressed, not only are prescriptions of the welfare school ruled out, but all prescription whatever. The economist as an adviser is completely stultified.” By the late 1940s, however, Robbins’ argument that economists should not deal with issues of inequality or distribution because they were normative and thus unscientific had catapulted itself to the heart of the economics profession. In so doing, economists began to present themselves as objective number crunchers whose only goal was to maximize productive efficiency in such a manner that reaches a Pareto optimal point (as if this was not a political construct), regardless of what the distributive ramifications may be. The

³³ Lord Robbins, “Interpersonal Comparisons of Utility,” *Economic Journal* (Dec 1938): 640–641; see also IMD Little, *A Critique of Welfare Economics* (Oxford: Clarendon Press, 1950) 55–56; on Robbins impact on neoclassical economics, see Thiago Dumont Oliveira and Carlos Eduardo Suprinyak, “The Nature and Significance of Lionel Robbins’ Methodological Individualism,” *Economia* (October, 2017).

question of distribution, they claimed, should be left to the political realm. In fact, students were taught—through what came to be called the “second fundamental theorem of welfare economics”—that governments could, via lump-sum transfers, set the initial endowments before markets worked their Pareto magic and, in so doing, determine what level of Pareto optimal distribution they desired in their society. Crucially, however, such distributive discussions would be held by politicians, *not economists*, since it was a political and ethical issue rather than a scientific one. As a result, the second welfare theorem gave generations of neoclassical economists the perfect excuse to neglect the question of inequality.³⁴

Once again, Samuelson’s textbook—which, it is important to remember, was clearly situated on the liberal side of neoclassical economics—offers a perfect articulation of how this worldview controlled the mainstream by the second half of the twentieth century:

It is an ethical rather than a scientific question as to just how large, relatively, each person’s final income ought to be. As a science, economics can concern itself only with the best means of attaining given ends; it cannot prescribe the ends themselves. Indeed, if someone decided that he preferred a feudal-fascistic kind of society, in which all people with little black moustaches were to be given especially high incomes, the economist could set up the pricing rules for him to follow to achieve his strange design best.³⁵

The separation of economic inequality and economic efficiency was, perhaps, the most powerful force behind the marginalization of inequality economics in the twentieth century. It seeped into every nook and cranny of the discipline, while reaching the highest stages of economic decision-making. I opened this chapter by quoting how, after Piketty’s book came out, Federal Reserve chief Janet Yellen warned of the dangers of inequality. In 2007, however, the then Federal Reserve chief and Princeton University economist Ben Bernanke made a very different argument, one that mainstream neoclassical economists had been making for much of the second half of the twentieth century. In explaining

³⁴Roy Harrod, “Scope and Method of Economics,” *The Economic Journal* (Sept, 1938): 397; on the second welfare theorem, see Allan Feldman, “Welfare Economics,” *The New Palgrave Dictionary of Economics, Second Edition*, eds. Steven Durlauf and Lawrence Blume (New York: Palgrave Macmillan, 2008); Joseph Stiglitz, “The Invisible Hand and Modern Welfare Economics,” NBER working paper 3641 (March, 1991).

³⁵Samuelson, *Economics*, 613.

why the Federal Reserve did not examine the issue of inequality, Bernanke explained that he would “not draw any firm conclusions about the extent to which policy should attempt to offset inequality in economic outcomes; that determination inherently depends on values and social trade-offs and is thus properly left to the political process.” Of course, Bernanke’s decision to bail out the big banks rather than the small homeowners had massive distributive repercussions. But in his view, this was not “political” since he had done so only for the sake of “the economy” writ large.³⁶

CONCLUSIONS

This chapter has briefly unpacked the main neoclassical pillars which helped bring about the fall of inequality economics in the second half of the twentieth century. While it has focused mostly on Anglo-American thinkers, neoclassical economics spread across the globe in the latter half of the twentieth century—even finding a vast and overlooked audience behind the Iron Curtain. Paul Samuelson’s textbook, for example, has been translated into 41 languages and sold over four million copies. In Israel, the formerly socialist-leaning country where I live, neoclassical economists have dominated academic departments since the 1960s. This is not unique. In India, D.M. Nachane has recently pointed to the “virtually unshakeable position that neoclassical economics occupies in mainstream economic thinking.” The *Routledge Handbook on the History of Global Economic Thought* is in agreement that “neoclassical economics eventually became the most popular of all economics in independent India.” Similar developments can be found in other areas of the world, be it the case of Chile, Greece, Japan or Germany where the *Handbook* notes how Anglo-American neoclassical economics “dominated post-war German academic economics.”³⁷

³⁶ Irwin, “What Yellen Said,” *New York Times*; see also James Coleman, “Equality,” *The New Palgrave Dictionary*.

³⁷ On the reach and impact of Samuelson’s textbook, see Mark Skousen, “The Perseverance of Paul Samuelson’s Economics,” *Journal of Economic Perspectives* 11, no. 2 (Spring, 1997): 137–152. On the global spread of neoclassical economics, see Vincent Barnett, ed., *Routledge Handbook of the History of Global Economic Thought* (London: Routledge, 2014), 331, 91, 71–73. On the Eastern Bloc, see Johanna Bockman, *Markets in the Name of Socialism: The Left-Wing Origins of Neoliberalism* (Paolo Alto: Stanford University Press, 2014).

Today, inequality economics is witnessing a rebirth—but the depth and breadth of this intellectual impact on *actual* wealth and income inequality across the world remains to be seen. If this chapter on the past can tell us anything about the future, it is that for the study of inequality to really take off, and global wealth inequities to really decline, the basic pillars of neoclassical economics may first have to be toppled. Can mainstream economics reinvent itself in the age of the 1 per cent?



The Demise of the Radical Critique of Economic Inequality in Western Political Thought

Michael J. Thompson

INTRODUCTION

This chapter traces the contours and the demise of what I see to be the most robust expression of the radical critique of economic inequality in Western political thought. It is my basic conviction that liberal theory and its conception of society, the individual, freedom and fairness have had a distorting effect on a more compelling and more politically relevant understanding of economic inequality. The result of what we can call this reification of normative ideas has had the effect of domesticating and even eclipsing a more radical tradition that railed against inequalities of wealth and economic power. This is not to say that we do not recognize the impact of economic inequality on politics—it simply means that we no longer view economic relationships as being political in character. This view of the matter has been entrenched for some time. In the 1970s, C. B. MacPherson was moved to remark that: “The central concern has become the market value of things. Economic relations between people have in

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effect been reduced to relations between things: the underlying economic relations of dependence and control between people have dropped out of sight.”¹

Why has this happened? And, perhaps, more importantly, how has this change in collective consciousness helped sustain and support the growing division among social classes and the rise of inequality? One reason I will offer here is that the radical critique of inequality explored in this chapter was rooted in a republican understanding of society and the individual. This republican idea about economic inequality is fundamentally different from the viewpoint of liberalism. It is based on a different way of seeing and judging economic inequality, one that emphasizes it as an expression of power relations. Modernity has come to be framed more and more by the principles and doctrines of political liberalism. The success of liberal theory throughout the course of the post-war era in capitalist society had the consequence of weakening and indeed eclipsing this more radical and, I think, more politically compelling structure of thought stemming from republican ideas. The differences between these two paradigms of social life, ethical values, and political concepts are at the heart of a gradual weakening of an approach to economic and social justice that has led to a one-dimensional consciousness when it comes to thinking about economic inequality. Along with this comes a change in our understanding of inequality and of its causes and its mechanisms that are in stark contrast to one another. What I hope to clarify in what follows are the features of this suppressed alternative tradition, this tradition of radical republicanism.

The influence of positivism and narrow empiricism of the social sciences, coupled with the dominance of analytic trends in moral and political philosophy no less than the increasingly deep roots of capitalist economic institutions and norms, have continued to lead us towards a path of legitimacy of economic divisions. It is not enough to see the increasing material comfort of modern populations as dulling the radical impulse. There is, more importantly, an issue of a reformulation of the basic descriptive and normative concepts that allow us to make sense of economic life and inequality more particularly. We can therefore speak of a kind of cognitive “straightjacket effect” where the values and ideas that govern our understanding of the world shape and distort the possibilities for articulating alternatives to the prevailing reality. One salient reason to uncover and

¹C. B. MacPherson, *The Rise and Fall of Economic Justice and Other Essays* (New York: Oxford University Press, 1985), 102.

reconstruct the radical critique of economic inequality is therefore that it can help us to shatter the reified categories of thought that support and reaffirm the prevailing social reality.

The problem of global inequality is today just as important as the concern with national inequality. It now is becoming increasingly clear that global inequality is not lessening nor is it leading to some kind of convergence between nations.² Global inequality is now only magnifying what was once a problem only within nations: globalization has created a system of trade, production, and legal-political frameworks that allow the dominance of a class of financial elites to extract surplus without almost any form of opposition or resistance. Democratic institutions are under stress, there is the burgeoning new far-right movement in many advanced industrial and post-industrial nations, and social solidarity is fraying.³ Global inequality is now making the search for a normative-political framework ever more crucial, and liberal political philosophy seems to offer us less and less that is compelling, mainly because it seeks to leave the basic structure of power and production intact. Here history can come to our aid. I am convinced that a more compelling political framework can be constructed from the radical republican thesis concerning the pathologies of economic division and how it conceived the proper arrangement of socio-economic relations. After exploring this intellectual paradigm, I will then defend its insights over and against the premises of liberalism and show how it has a novel theory about the nature and effects of economic inequality relevant for a global age.

THE RADICAL REPUBLICAN CRITIQUE OF ECONOMIC INEQUALITY

In stark contrast to the liberal idea of fairness and equality of opportunity versus equality of condition, the republican politics of wealth conceives of inequalities not simply as an issue of desert or as “fairness,” nor as one of distributive justice. Rather, radical republicans saw economic inequalities

² For a defence of the convergence thesis, see François Bourguignon, *The Globalization of Inequality* (Princeton: Princeton University Press, 2015), as well as Dani Rodrik, *The Globalization Paradox: Democracy and the Future of the World Economy* (New York: W.W. Norton, 2011).

³ See Robert Kuttner, *Can Democracy Survive Global Capitalism?* (New York: W.W. Norton, 2018) as well as William A. Galston, *Anti-Pluralism: The Populist Threat to Liberal Democracy*. (New Haven, CT: Yale University Press, 2018).

as expressions of social power capable of eroding the common goods that any society is able to provide for its members. Viewing economic divisions as republicans saw them means viewing as the capacity of particular individuals to arrange social relations for particular interests in contrast to the general or common interests. Inequality was not only an issue of distributive benefits from economic life; it was more importantly a maldistribution of power resources—powers to control, to dominate, to extract, to arrange, and to organize the community as a whole to particular ends and purposes. When looked at in this way, we see that thinkers such as Machiavelli, Rousseau, and Marx were able to isolate the ways that economic divisions were able to create the preconditions for social, political, cultural, and individual debasement. For them, there was a direct, causal link between the growth of unequal wealth and the culture of politics in general and the consciousness of citizens in particular.

In my view, this alternative understanding of economic inequality should be privileged over the predominant liberal view which continues to see that a basic structure allowing for the equal distribution of opportunity is the primary locus to ameliorate inequalities. In contrast to the liberal distributionist view of justice, the radical republican view suggested by Machiavelli and Rousseau is one where common goods and common interests are privileged over particular interests and ends. They saw that the common interest lay not in some anachronistic reservoir of communal values, but rather in a structure of social relations that would prevent the capacity of any agent to benefit at the expense of any other. Their concept of a common interest is one where the structure of social relations between members of the community is organized towards ends that are mutually beneficial for all, where no individual or group can benefit at the expense of any other member of the community. The capacity to make private wealth entails a capacity to extract from others, to direct collective labour and resources towards private, particular ends and interests—as such, a free society requires that public interest mitigates against the proliferation of particular interests.

Machiavelli's ideas about the nature of economic and social inequality are rooted in his basic ideas about the properties of political power more generally. For him, republics are those forms of government where individuals remain individuals, but are prevented from dominating others—and, in contrast to liberals, economic wealth is a, if not *the*, primary mechanism of domination. Machiavelli's view was that the purpose of politics was the protection of the common interest; that the very success

and flourishing of the community could only be secured through a negation of the forces within (and without) the society that seek to dominate it.⁴ For Machiavelli, domination means not only “having power over,” it more specifically and crucially means that certain individuals have a kind of power that enables them *to derive and extract benefit from others*; that they seek to utilize the populace and the institutions and resources of the community as a whole for their own purposes rather than the shared purposes needed in common. Domination is not a matter of “arbitrary interference” or anything that narrow in scope. It is a more earthy view of power, one that sees as its object the extraction of benefits from one agent for the interests and surplus of another. This is the fruit of ambition, and why he sees it as a dangerous passion and interest. Unlike the founders of market liberalism, who would see self-interest and ambition as the engine of a common prosperity and common interest, Machiavelli has no illusions about their true end: the power to extract benefit from others and, as their power aggregates, from the community as a whole.

Wealth is therefore far from being apolitical; it is instead the political resource *par excellence*. Indeed, he places wealth and the kind of power that it breeds at the core of his radical understanding of republicanism. But Machiavelli’s attitude towards wealth is such that he sees it as the seat for ambition and, therefore, the seed for corruption and the primary domestic force that can disrupt and erode republican politics. Machiavelli suggests that the relation between *grandi* and *popolo* is not simply one of relative differences of wealth, income, or property: it is a relation of concrete power—the power to control, to appropriate, to extract benefit, and, in short, to oppress and to exploit.

The use of the verb *usurpare* in the passage suggests that the relation is also potentially *extractive* since the word can be rendered not only as “encroaching upon,” in this context, but more precisely as “taking the possessions from another against their rights.”⁵ The word *usurpare* is

⁴This is one of the most powerful themes connecting *Il principe* and the *Discorsi*. For an excellent discussion, see Robert A. Kocis, *Machiavelli Redeemed: Retrieving His Humanist Perspectives on Equality, Power, and Glory* (Bethlehem, PA: Lehigh University Press, 1998), 143ff.

⁵According to the *Florio Italian Dictionary* of 1611, *usurpare* can be rendered as “To take against right and reason” as well as “to disturb another man’s right and possession.” These definitions show a clear preference for the later Latin legal usage of the term over its previous classical usage. In this sense, that is, in the sense of *usu rapere*, or “to seize to one’s use,” it seems to me appropriate to consider Machiavelli’s use of this word as a form of extractive

important here since it can be found in a series of texts in the period through that of Rousseau. Whereas in classical Latin, the term was employed to indicate an illegal seizure of power, in later Latin, beginning with the *Digest* of Justinian, it took on a much broader legal meaning, “to seize something for one’s own use,” rooted in the etymology of the Latin phrase *usu rapere* or “to seize to one’s use.”⁶ By the time of early modern political thought, the term comes to be associated with a particular kind of social relationship: one where extraction and domination are instituted for the benefit of one group or agent over another. In this sense, it can be seen that the *grandi* seek not only to command the obedience of the *popolo*, but also that the wealthy seek to encroach and to conquer the people as a whole: the *grandi* want not only to possess more than the populace; more importantly, they seek to extract their wealth from them and from the community as a whole.⁷

The basis of this form of dominance is also the search for securing forms of parasitic relations where some can live without labour while directing and commanding the labours of others—a clear distinction therefore emerges between the *vivero libero* of a genuine republic and the *vivero ozioso* in which the few indulge under conditions of oligarchy or tyranny. This grants these elites a kind of power we can call *extractive power*, or a capacity to derive surplus benefits from those they control and subordinate.⁸ This creates social relations that erode any sense of shared liberty, or *vivero libero*, which views each individual’s freedom as dependent on the freedom of others. This is because a *vivero libero*, a way of life where the community rules itself, is not possible where wealth dominates and economic elites are able to shape and determine the goals, the purposes, the rules, and laws of the community.

power or exploitation than simply as “domination of one’s personal choices” through “arbitrary interference” as many neo-republican thinkers have recently wanted to see as the core of republican theories of domination.

⁶ For a fuller philological discussion, see Key, “On the Derivation and Meaning of the Latin Verb *usurpare*,” *Transactions of the Philological Society* 2, no. 7 (1855): 96–103.

⁷ Machiavelli also sees that the exploitation of the plebs by the wealthy is a central cause for discord and tumult, not unlike Marx many centuries later: “when they [the plebs] were not properly remunerated for their labor, of their masters oppressed them, they had no one of whom to seek redress, except the magistrate of the art to which theirs was subject; and of him they did not think justice always attainable” (*IF*, III.3).

⁸ I have elaborated this concept of *extractive domination* in my paper “The Two Faces of Domination in Republican Political Theory,” *European Journal of Political Theory* 17, no. 1 (2018): 44–64.

Inequalities of economic power are destructive to the free life (*vivero libero*) of the community for a basic reason: the wealthy are able to extract benefit and surplus from the rest of the community, thereby destroying the capacity of the community to realize its collective interest. They are also rooted not in natural distinctions, but in socially constructed ones. They are the product of social forces themselves rather than some innate capacity among the *grandi*.⁹ This is the defining principle of any republic: that the capacity of the wealthy, of elites of any kind, is negated by the power of institutions and an alert civic life that is on guard to secure the common interest. They are able to place their own interests, their own purposes, and their own desires not only at the expense of the populace, but they are also able to arrange the relations of society to serve those purposes over those beneficial to all.¹⁰ Machiavelli calls these people the *gentiluomini* and he defines them in just these terms:

To clarify what I mean by the term *gentiluomini*, I would point out that it is used of those who live in leisure (*quelli che oziosi vivono*) on the abundant revenue derived from their estates, without having anything to do either with their cultivation or with any other forms necessary to life. Such men are a pest in any republic ... for men born in such conditions are entirely inimical to any form of civic government.¹¹

Their opposition to civic government results from their desire for power, to expand wealth, and to enlarge their sphere of extraction and dominance.¹² Inequality is therefore conceived as a relation not only between

⁹ Machiavelli's quote of the leader of the Ciompi rebellion illustrates this point: "Be not deceived about that antiquity of blood by which they exalt themselves above us; for all men having had one common origin, are all equally ancient, and nature has made us all after one fashion. Strip us naked, and we shall all be found alike. Dress us in their clothing, and they in ours, we shall appear noble, they ignoble—for poverty and riches make all the difference." *History of Florence*, III.3.

¹⁰ In the *Istoria Firenze*, Machiavelli underlines the importance of this point: "The reward which they [elites] desire from victory is not the glory of having given liberty to the city, but the satisfaction of having vanquished others, and of making themselves rulers; and to attain their end, there is nothing too unjust, too cruel, too avaricious for them to attempt. Thus laws and ordinances, peace, wars, and treaties are adopted and pursued, not for the public good, not for the common glory of the state, but for the convenience or advantage of a few individuals" (*IF*, III.1).

¹¹ Machiavelli, *Discorsi sopra la prima deca di Tito Livio*, I.55.

¹² This was a view shared by Francesco Guicciardini, who writes on this theme that "*La città non ha e' più inutili ed e' più perniziosi cittadini, che questi che vivono in sulle entrate*

individuals; it is a corruption of the community as a whole: of its true ends, purposes, and potential greatness.

This leads directly to the theme of corruption. Not only is corruption equivalent to the deficits of civic life that allow for the power of the few to shape social and political life, it is also the very result of unequal wealth itself. It is the failure of the value patterns that pervade the community to inform correct action against those who use the public for private gain and interest. It is a social rather than an individual concept in that it applies to societies even more than it does to individuals and individual acts.¹³ In fact, it can be said that this is the material cause of corruption and the decline of republics. It is wealth itself, not some abstract moral degeneration on its own, that begins the slide away from the *vivero libero*. As Alfredo Bonadeo puts the matter:

The very existence of individual wealth is an unmistakable symptom of corruption. Wealthy citizens are inevitably led to strive to preserve and increase wealth; to succeed they need power, and to acquire it they will manipulate political organs at the expense of the common good.¹⁴

Unlike the Thomistic attempt to prescribe the elements of a common good in terms of a substantive, communal morality, Machiavelli's silence on this theme simply reinforces his modernity on the matter, not his cynicism towards common goods. But it can be said that the common interest is the font from which the goods of individuals are derived; it can be seen to be the *general socio-relational structure of the community itself*: the various ways that it channels resources, what kinds of collective goods it

grosse delle possessione.... Costoro sono corruttori delle città, perchè per lo ordinario sono gente nate ed allevate in sulle ricchezze." *Dialogo e discorsi*, quoted in Bonadeo, "The Role of the 'Grandi' in the Political World of Machiavelli," 23.

¹³ S. M. Shumer correctly argues on this point that the concept of corruption characterizes "a whole people, describing the pattern of attitudes and ways of acting that predominate in a given polity. One dimension of political corruption is the privatization both of the average citizen and those in office. In the corrupt state, men locate their values wholly within the private sphere and they use the public sphere only to promote private interests." "Machiavelli: Republican Politics and its Corruption." *Political Theory* 7, no. 1 (1979): 5–34, 9. Also see John M. Najemy, "Society, Class, and State in Machiavelli's *Discourses on Livy*." In John M. Najemy (ed.) *The Cambridge Companion to Machiavelli*. (New York: Cambridge University Press, 2010): 96–111, particularly 108ff.

¹⁴ Alfredo Bonadeo, *Corruption, Conflict and Power in the Works and Times of Machiavelli* (Berkeley, CA: University of California Press, 1973), 12.

chooses to pursue, and that individuals themselves can flourish within the thick context of its needs being satisfied and its state of being progressed.¹⁵ Most important in this sense is the ways that power relations are organized, who is able to gain advantage at the expense of others, and so on. It is this element of power that republics need to confront and to provide institutions to prevent. It also shows that Machiavelli sees the common good, *il bene comune*, as a distinct ethical end for political life. Wealth leads to domination, and this means for Machiavelli not simply an interference in the actions and choices of individuals; it more essentially means the emergence of extractive social relations and the promotion of private ends and wants instead of the common needs of all.¹⁶

The radical republican structure of thought that takes root with Machiavelli views inequality not as a matter of distributive justice in the liberal sense, but rather as *an abuse of the social bond*, a perversion of the immanent properties of social life itself, and a direction of social wealth away from common purposes, goods, and ends and towards particular goods and ends. The end of a just social order was one where the corruption of common goods by concentrated private wealth was restrained or

¹⁵This is the distinguishing concept that animates the radical republicans, what sets them apart from the liberal and liberal-republican sentiment that sees the absence of domination over personal choice as the primary aspect of liberty. As Philip Pettit has put it: "The free-man in the Italian-Atlantic tradition, the *liber* of Roman thought, was someone who lived in his own domain ... on terms that he set himself. Within that domain he lived *sui generis*, as it was put in Roman law, 'under his own jurisdiction.' He did not operate *in potestate domini*, 'in the power of a master,' and he did not have to make his choices *cum permissu*, 'with permission.' He could act without fear or deference, being protected and empowered in relation to others, and even in relation to the very law that helped establish his position." *On the People's Terms: A Republican Theory and Model of Democracy* (New York: Cambridge University Press, 2012), 17. But this gets the essence of republicanism wrong for radicals: they sought the absence of domination as extraction in order to formulate a society whose energies would be devoted to the common purposes that humans share in living together. They echoed the philosophical anthropology set out by Aristotle, who argued that the purpose of living within society was the perfection of human attributes, not simply to live as one pleases without the interference of others.

¹⁶James Harrington echoes this republican thesis: "where the balance changeth from popular to oligarchical or monarchical, the public interest, with the reason and justice included in the same, becometh more private; luxury is introduced in the place of temperance and servitude in that of freedom, which causeth such a corruption of manners both in the nobility and the people as, by the example of Rome in the time of the Triumvirs, is more at large discovered by the author to have been altogether incapable of a commonwealth." *The Commonwealth of Oceana* (Cambridge: Cambridge University Press, [1656] 1992), 61.

eliminated; it was instantiated in a society that allowed for the creation of the optimal output and sustenance of public goods that would allow for the development and freedom of the members of that association. The *res publica* was therefore not, when applied to the question of wealth, a matter of optimizing the democratic wealth of the society as opposed to the oligarchic wealth of private citizens. In this sense, Rousseau's contribution to the radical republican tradition marks a pivotal evolution in its development.

Rousseau was no less concerned with the problem of unequal property, but was also concerned explicitly with the ways that the inequality of property was both rooted in as well as deformative to the individual. For him just as with Machiavelli, this was a question of how extractive forms of power were able to sustain themselves. The origin of inequality, for him, lies in the way that social cooperation becomes mutilated by extractive powers of a subset of the community. In his *Discourse on the Origin of Inequality*, he writes:

[A]s soon as one man needed the help of another, as soon as one man realized that it was useful for a single individual to have provisions for two, equality disappeared, property was introduced, labor became necessary. Vast forests were transformed into smiling fields which had to be watered with men's sweat, and in which slavery and misery were soon seen to germinate and grow with the crops.¹⁷

This new subjectivity is shaped by this social inequality: mastery and slavery now corrupt man's capacity to recognize freedom as his once natural state—"although man had previously been free and independent, we find him, so to speak, subject by virtue of a multitude of fresh needs, to all of nature and particularly his fellow men, whose slave in a sense he becomes even in becoming their master; rich he needs their services; poor he needs their help."¹⁸ Now, economic inequality will be welded to a form of consciousness and subjectivity unable, even unwilling, to distinguish its particular interests from the interests of the community as a whole. Defective social relations now can be seen to shape a defective subjectivity. Of course, this obsessive form of self-interest and concern, what Rousseau calls *amour propre*, exists prior to the emergence of these extractive relations; they

¹⁷ Jean-Jacques Rousseau, *Discours sur l'origine des inegalites parmi les hommes. Oeuvres Completes*, vol. 3. (Paris: Paris: Éditions Gallimard, 1964), 171.

¹⁸ Rousseau, *Discours*, 174–175.

enable it to expand and inflate, pushing aside the feelings of compassion and sufficiency that exists in the “golden age” that precedes it.¹⁹ The emergence of inequality transforms the drives of man, making him enemies with those on whom he depends for his livelihood. He also becomes an enemy with himself: suppressing and denying more authentic drives for the honour and narcissistic need for social standing. Man becomes constituted so as to exist “for others” rather than one’s being becomes shaped by relations of domination and servitude.²⁰

Considering this argument, one thing is certain and more important to emphasize: that Rousseau is offering up not simply a genealogy of inequality but, more importantly, *a theory about the nature of social power and domination itself* as well as a negative exploration of the true, “correct” purposes of social cooperation concealed within the pathological culture of defective social relations. If we reduce his argument to one that is primarily psychologistic, we get him wrong. The key problematic that Rousseau is after is that of power, of domination and this finds its roots in the development of social relations and the search for surplus-extraction. It is this that provides *amour propre* with its more expanded manifestation, not the other way around.

¹⁹I think Neuhouser is wrong when he argues: “Despite the prominent role Rousseau’s genealogy gives to the advent of private property ... he also makes clear that it is *amour propre*, not a straightforward desire for the necessities or comforts of life, that ultimately explains the rapid growth—perhaps even the origin—of private property. The drive to possess acquires the importance for human that it does only because the extent and value of a person’s property is so readily perceived by others as an external sign of her worth as an individual.” *Rousseau’s Theodicy of Self-Love: Evil, Rationality, and the Drive for Recognition* (New York: Oxford University Press, 2008), 122–123. The problem here is that Rousseau’s text indicates that, as I quoted above, “as soon as one man realized that it was useful for a single individual to have provisions for two, equality disappeared, property was introduced,” and nowhere does he claim that it is the search for confirmation of their worth that makes this new social system of relations come about. The emphasis is important since it would seem to indicate, as would make sense given Rousseau’s other arguments, that the social relations that man inhabits comes to shape and to mould his being and his psychology, not the other way around. It is only by changing the social structure, the ways that humans are governed, that we can change the inner world of man.

²⁰As Dent remarks, “Since it is so widely held that if *any* of our self-constitution has come to be constituted as it is ‘for others’ then by that fact alone we are self-dispossessed or have lost our own proper integrity, it is desirable to spend a moment showing that this is not so. It is when, and only when, our self-constituted is determined in *particular* ways by (what we feel to be) the requirements that others lay upon us that we become self-estranged.” *Rousseau*, 57.

This is a central theme in Rousseau's critique of defective civil society: that economic inequality corrupts the capacity of people to judge what the good is in contrast to the false needs promulgated by unequal relations. All of the masks of modern culture, all of the true aims of modern science and the arts, of the modern city, are really the expressions of this basic drive: to exploit, to denigrate, to be able to benefit from an unequal exchange.²¹ In this sense, property, labour, the division of labour, more generally, are all expressions of a new phase of inequality: not simply one driven by pride, but now one driven by the logic of power itself. What this inequality produces is a society wherein the social bonds between people are defectively organized since they are designed with the intent of self-interest, the expansion of particular benefits, and the maximization of surplus. They are not oriented towards common purposes—those purposes that would allow for healthy social relations and which would in turn nurture healthy, free individuality—but towards particular ones.

In contrast, Rousseau is consistent in his view that the nature of defective social relations is produced by the drive for some to dominate others and that this domination has as its most significant component the end of extracting benefit from others and accumulating them for oneself. Against the liberal-atomist view, individuals do not simply contract with others for mutual benefit. Rather, as he says in the *Discours sur les richesses*: “How is it possible to enrich oneself without contributing to the impoverishment of another?”²² There is little question that Rousseau sees the inequality of property, of labour, or wealth in all of its economic manifestations as basically extractive. And this constitutes an essential abuse of social bonds, of the potential benefits that social cooperation possesses *in nuce*. Domination is a central category for Rousseau because he sees it as the very negation of what the good human community should be premised upon. In *Emile*, one of the primary purposes of education is to eliminate from the basic personality of Emile the penchant for domination, to allow his faculties

²¹ Melzer again argues that “While *amour propre* extends men's desires beyond their natural powers, severe disunity of soul arises only when men seek to restore the balance by using other men as means. Using other men—what Rousseau calls ‘personal dependence’—is self-contradictory and enslaving, according to Rousseau. And disunity arises from the internalization of this contradiction or enslavement.” “Rousseau and the Problem of Bourgeois Society,” 1025.

²² Jean-Jacques Rousseau, *Discours sur les richesses* (Paris: Charles Reinwald, 1853), 13.

and his sensibilities to “accord children more true freedom and less domination, to let them do more by themselves and to exact less from others.”²³

The opposite of this is not a just distribution of rewards or an equality of opportunity within an already established social order. Indeed, once inequality has happened, it becomes difficult, perhaps even impossible, to reverse. We cannot redistribute our way out of the problem:

It is one of the most important items of business for the government to prevent extreme inequality of fortunes, not by appropriating treasures from their owners, but by denying everyone the means of acquiring them, and not by building hospitals for the poor but by protecting citizens from becoming poor.²⁴

Instead, it requires a shattering of the ideas, the customs, and norms that prop it up. As he notes in the *Second Discourse*: “The first person who, having enclosed a plot of land, took it into his head to say ‘this is mine’ and found people simple enough to believe him was the true founder of civil society. What crimes, what wars and murders, what miseries and horrors would the human race have been spared had someone pulled up the fence or filled in the ditch and cried to his fellow men: ‘Do not listen to this imposter. You are lost if you forget that the fruits of the earth belong to all and the earth to no one!’”²⁵ The perpetuation of relations of extractive dominance, of the social inequality that makes some benefit at the expense of others, is only possible by the legitimacy of those relations. In other words, Rousseau sees the higher problem of social power and dominance as operating within the realm of values, norms, and culture itself.

This radical republican view of the relation between inequality and power was to ferment into a concrete political doctrine in the early nineteenth century, particularly in the United States and in France. In 1829, in his *The Rights of Man to Property!*, the American pamphleteer Thomas Skidmore made this evident in his opening preface:

One thing must be obvious to the plainest understanding; that as long as property is unequal; or rather, as long as it is so enormously unequal, as we see it at present, that those who possess it, *will* live on the labor of others,

²³ Jean-Jacques Rousseau, *Emile ou de l'Éducation. Oeuvres Complètes*, vol. 4 (Paris: Éditions Gallimard, 1969), 290.

²⁴ Rousseau, *Discours*, 182.

²⁵ Rousseau, *Discours*, 164.

and themselves perform none, or if any, a very disproportionate share, of that toil which attends them as a condition of their existence, and without the performance of which, they have no *just* right to preserve or retain that existence, even for a single hour.²⁶

Skidmore summed it up in a moral slogan that was as simple in its formulation as it was profound in its implications: “all men should live on their labor, and not on the labor of others.”

Similarly, Stephen Simpson, writing in 1831 in his *The Working Man’s Manual*, argued:

Having shaken off, renounced, and branded those [feudal] systems of antiquated barbarism and monkish superstition, by all the great leading documents of our national existence, we are bound by the highest and most sacred ties of moral, religious, and political obligation to bring the condition of the people, in respect to the wages of labor and the enjoyment of competence, to a level with their abstract political rights, which rights imply necessarily the possession of the property they may produce, on principles of equity congenial to the equal rights guaranteed by the organic law. To substitute Law for the distribution of labor is to introduce the chief feature of the feudal systems of Europe into the free, self-formed, and equitable republic of this country, and amounts to a virtual repeal of the very first principle of the Declaration of Independence and the Constitutions of the Union and the States.²⁷

The economic activity of corporate actors was now being seen as an anathema to the political aims of republicanism. David Henshaw writes in 1837: “[b]usiness corporations, excluding banks and all large corporations for trading in money, when judiciously granted and suitably regulated, seem to me generally beneficial and the natural offspring of our social condition. But if they are to be placed beyond legislative control and are thus to

²⁶ Thomas Skidmore, *The Rights of Man to Property!* (New York: Burt Franklin, 1829), 3–4.

²⁷ Stephen Simpson, *The Working Man’s Manual: A New Theory of Political Economy, on the Principle of Production the Source of Wealth*. In Joel Blau, (ed.) *Social Theories of Jacksonian Democracy* (Cambridge: Hackett Publishers, 2003), 145. Also see my discussion of this theme in early American political thought in *The Politics of Inequality* (New York: Columbia University Press, 2007).

become monopolies and perpetuities, they assume an aspect the reverse of this and become alarming excrescences upon the body politic.”²⁸

William Gouge, writing only a few years later than Henshaw, also sees the inequalities emerging from corporate power as perversions of a just social order:

[U]nequal political and commercial institutions invert the operation of the natural and just causes of wealth and poverty, take much of the capital of a country from those whose industry produced it and whose economy saved it, and give it to those who neither work nor save. The natural reward of industry then goes to the idle, and the natural punishment of idleness falls on the industrious.²⁹

Simultaneously in France, the republican ideal was held up against the new factory and wage system. Martin Bernard, a Parisian printer and pamphleteer, writes in the *Revue républicaine* in 1834:

It is impossible to deny the analogy of the relationship between today’s man of the workshop and the former man of the *chateau*, the *serf* ... Prejudice has so distorted the consciousness of the masses that we find the proletarian who well understands that a king is a dispensable cog in the political order, and yet who refuses to believe that the same can be accomplished in the industrial order ... In the eighteenth century, politics displayed the same character as does industry today ... *Isn’t the workshop a monarchy in miniature?*³⁰

Republicanism still held, for those like Bernard, the fundamental radical impulse against the rising forces of bourgeois economic life which were now taking on the character of a ruling class. These ideas nourished the emerging socialist vision of society more generally and the ideas of Marx in particular. We know that Marx read heavily the books and pamphlets of North American radical republicans such as Skidmore, Gouge, Henshaw,

²⁸ David Henshaw, *Remarks upon the Rights and Powers of Corporations, and of the Rights, Powers, and Duties of the Legislature Toward Them* in Joel Blau, op. cit., p. 163.

²⁹ William Gouge, *A Short History of Paper Money and Banking in the United States*, p. 184 in Joel Blau (ed.), op. cit.

³⁰ Martin Bernard, *Revue républicaine* (1834) vol. 3, 296, and vol. 5, 62 and 65. The relation of this passage to those in Machiavelli’s *History of Florence* and Rousseau’s *Social Contract* is difficult to ignore.

and others.³¹ They saw the relation between the modern economic system of production and the pre-modern feudal relations of domination and power.

I think this understanding of the radical republican structure of thought can help us see how Marx and much of the Marxian tradition can be rethought. His ideas about the nature of a communist society can be seen as an expression of the radical republican view shared by Machiavelli and Rousseau: at its core it embodies two basic principles that emerge implicitly time and again in Marx's writings and give a normative coherence to his ideas. First, there is the thesis that modern economic relations (capitalist society or the "bourgeois mode of production") embody relations of extractive domination between classes of social power; and second, that the true purpose of social and economic relations ought to be to enhance the social life as a whole for all of its members. Indeed, Benedetto Croce, writing in 1897, saw the connection, observing, "I am surprised that no one has thought of calling him 'the most notable successor of the Italian Niccolò Machiavelli'; a Machiavelli of the labor movement."³²

As early as the *Economic and Philosophical Manuscripts*, for instance, we see that there is a kind of theoretical underpinning about the essential sociality of human beings; they are, in contrast to Aristotle, not "political" animals but "social" animals; that the key to the insight into the problem of human progress lay not in the advancement of mere technical civilization, but the ends towards which those advances are directed. Human beings are deepened, humanized, through the cooperative, shared process of labour and, in a more philosophical sense, acquire a new ontological character based on the nature of the social relations they inhabit. This view, which seems to me to deepen the insights of the older republicans, argues that the common good is constituted by the *ontology of the social-relational structure that any particular society embodies*; that, taking and deepening an insight from Plato's *Republic*, we need to construe the conception of a just, a rational, a humane society as one which organizes its practices and its relations towards the advancement of the common goods that shape, determine, and develop individuals.

³¹ Lewis Feuer, "The North American Origin of Marx's Socialism," *The Western Political Quarterly* 16, no. 1 (March 1963): 53–67.

³² Benedetto Croce, *Historical Materialism and the Economics of Karl Marx* (New York: Russell and Russell, [1897] 1966), 118.

In many ways, the prescriptive ideas Marx put forth about social and economic life, especially in his mature work, aligns with this radical republican paradigm. For him, just as with Machiavelli, Rousseau and the other radical republicans, economic life was to serve common ends; production was to be pursued for the good of the community, which was itself to serve as the foundation for:

a community of free individuals, carrying on their work with the means of production in common, in which the labor power of all the different individuals is consciously applied as the combined labor power of the community. All the characteristics of Robinson's labor are here repeated, but with this difference: that they are social instead of individual The total product of our community is a social product.³³

Marx sees the issue of distributive justice as less of a concern than the shape or form of socio-economic relations that constitute the social totality itself. We judge capitalism as a defective system from the point of view of its capacity to foster the kinds of social goods necessary for individual development, as he argues in the *Grundrisse*:

Relations of personal dependence (entirely spontaneous at the outset) are the first social forms, in which human productive capacity develops only to a slight extent and at isolated points. Personal independence founded on *objective* [*sachlicher*] dependence is the second great form, in which a system of general social metabolism, of universal relations, of all-round needs and universal capacities is formed for the first time. Free individuality, based on the universal development of individuals and on their subordination of their communal, social productivity as their social wealth, is the third stage.³⁴

Social wealth now becomes, for Marx, a material-economic expression of the *res publica*, a kind of shared common good or resource in which all members of the community have an interest. This is because Marx views society as a structure of social relations that gives shape to our mutual interdependence. Hence, is the shape of this structure that constitutes a just, free, developed life or one that is alienated, exploited, and debased:

³³ Karl Marx, *Capital*, vol. 1 (New York: Vintage, 1977), 78.

³⁴ Karl Marx, *Grundrisse* (New York: Vintage, 1973), 158.

Capital is a collective product, and only by the united action of many members, nay, in the last resort only by the united action of all members of society, can it be set in motion. Capital is, therefore, not a personal, it is a social power.³⁵

Just as Rousseau before him, Marx sees that the increase of a genuinely democratic form of social wealth will be able to expand and enable individual freedom and capacities, as he notes in the *Manifesto*: “In communist society accumulated labor is but a means to widen, to enrich, to promote the existence of the laborer.”³⁶ But the opposite of this democratic social wealth is a kind of oligarchic wealth—accumulated by private control over capital. The democratization of social wealth, of the collective efforts and resources of the community, therefore, negates the capacity of any one individual or corporate agent to direct the labour of others towards their particular interest and away from the common ends and purposes: “Communism deprives no man of the power to appropriate the products of society; all that it does is to deprive him of the power to subjugate the labor of others by means of such appropriation.”³⁷

For Marx, the relationship between labourer and capitalist is not simply a master–servant relation. Rather, it is one where capitalists—or those who have private ownership over the resources of the community—are able to shape and control and to direct the efforts of the community towards its own ends rather than common or public ends. Just as Machiavelli, Rousseau, and other republicans had made clear, the issue here is that social relations are shaped not according to a common public life, but towards private interests.

So now inequality is something very different for the radical republican than the liberal. It is not an issue of opportunities or fairness, but rather an issue of the kinds of relations we have with others that can either diminish or support a kind of collective good, a common interest that cannot be achieved alone. And it is here that the radical republican idea can be most sharply contrasted with the prevailing liberal paradigm. Those unequal social and economic relations that the radical critics of inequality I have been discussing here despised I will call *pleonexic relations*, a term derived

³⁵ Karl Marx and Friedrich Engels, *Manifesto of the Communist Party*. In *Marx and Engels: Basic Writings on Politics and Philosophy* (New York: Doubleday Books, 1959), 21.

³⁶ Marx and Engels, *Manifesto of the Communist Party*, 22.

³⁷ Marx and Engels, *Manifesto of the Communist Party*, 23.

from the Greek word *πλεονεξία*, meaning, “to have more than what one requires and to desire still more.” Pleonexic relations are unequal relations of power where benefits for the superordinates of the hierarchy are dependent on the efforts and capacities of those who occupy the lower, subordinate levels of that hierarchy. Pleonexic relations produce a kind of social wealth that is oligarchic as opposed to democratic.³⁸ Economic inequality, from the radical republican point of view, is therefore not a question of distributive justice; it sees the problem as broader and more basic to the very shape of society as a whole: as the result of the shape of the structure of relations within which individuals are shaped and formed. Pleonexic relations lead to the production of *pleonexic goods*, which are those that are obtained and consumed by (1) extracting benefit from another person or group, (2) redirecting or reorienting the capacities and resources of individuals or the community as a whole towards one’s personal or partial benefit, and/or (3) invading individual or collective resources for particular benefits that could otherwise be beneficial to that group as a whole.

THE ASCENDANCE OF THE LIBERAL PARADIGM

So, what happened to this radical republican vision of politics and wealth? In one sense, it would seem to have lost out in the political struggles of the late nineteenth and early twentieth centuries. What is it that makes these ideas difficult to resurrect in the contemporary scene? To be sure, there is, I think, a deeper, philosophical component to the story as well. The seeds of the dissolution of the radical republican structure of thought were already well established before these texts were written. An alternative view of modernity was being nourished by changes in economic structure as well as new philosophical ideas about the ontology of individual and social life as well as ethical ideas about the nature of the good.

The roots of liberalism were nourished during the early modern period, the reaction to the church and its concentrated authority over political and religious life was leading to an emphasis on new philosophical ideas that

³⁸I have developed these ideas more fully elsewhere. See my papers “The Limits of Liberalism: A Republican Theory of Social Justice,” *International Journal of Ethics* 7, no. 3–4 (2011): 1–21 and “The Common Good as a Principle of Social Justice,” in Hartmut Rosa and Christoph Henning (eds.) *The Good Life Beyond Growth*. (London: Routledge, 2017): 119–130.

would come to erode the basic structure of the republican world-view.³⁹ Intellectually, pressures from the rise of nominalism were leading to a break with the prevailing Thomistic vision of the ethics of the common good as the core of political philosophy. The collapse and disrepute of teleological reasoning as well as the rise of philosophical nominalism meant a degrading of the common good as a valid and “scientific” object of political concern.⁴⁰ Now empiricism and materialism—products of the nominalist current—were changing the very ontological conception of the social. Whereas the Aristotelian and Thomistic ontology held that society was an entity unto itself with its own properties and features, nominalist thought countered with the thesis that such universal ideas had to be rejected since we could only know and conceive rationally of individual entities, not universals. This, combined with the prevalence of the analytic method of reason privileged by Bacon, Descartes, and other powerful early-modern minds over the synthetic powers of reason, meant that concepts such as the common good and sociality as an ontological entity were becoming philosophically brittle. Combined with the new pressures from the rise of the nation state and the intensification of trade and market society, the *via moderna* was slowly undermining the philosophical categories that supported the republican conception of society and politics. Now, thinkers such as Hobbes were concerned with the rejection of the Aristotelian description of the social an existent entity as well as the

³⁹ Some scholars suggest that the emergence of liberalism stems from the need to protect religious differences, especially after the fracturing pressures of the Protestant Reformation. Owen Chadwick, for instance, observes, “In western Europe the ultimate claim of the liberal was religious. Liberal faith rested in origin upon the religious dissenter. Liberalism on its more important side was a criticism of the medieval world of all-embracing religious orthodoxy. Dissenters won a free right to express a religious opinion which was not the accepted or prevailing opinion.” Only later did this morph into the desire for “the freedoms necessary for a state and society able to meet the revolutions of trade and industry and education.” *The Secularization of the European Mind* (Cambridge: Cambridge University Press, 1975), 26–27. For the importance of religious fragmentation for the origins of liberalism’s opposition to political tyranny, see D. J. Manning, *Liberalism* (New York: St. Martin’s, 1976), 63ff. A broader interpretation of liberalism by Edmund Fawcett holds that it is a theory of politics that “was a search for an ethically acceptable order of human progress among civic equals without recourse to undue power.” *Liberalism: The Life of an Ideal* (Princeton: Princeton University Press, 2014), xv.

⁴⁰ For a further discussion of the origins of liberal reason in the natural sciences, see Thomas A. Spragens, Jr. *The Irony of Liberal Reason* (Chicago: University of Chicago Press, 1981), 18ff.

normative concept of a common good inherent to it.⁴¹ Locke, Kant, Mandeville, Constant, and even Rawls share a general set of ideas that transformed the ways that we see economic life muffled the ideas of radical republicanism.

First, there is the metaphysical (or perhaps non-metaphysical) assumption *that society is an aggregate of voluntaristic individuals* who relate through some contractual agreement as to their relations with others. The individual was ontologically prior to society and created his relations with others through rational choice, not through some natural necessity. Add to this a second thesis, rooted in the first, that the “*right*” *should be privileged over the “good.”* Since a common good could no longer be substantiated among a voluntaristic society of individuals, the role of the state should be to seek to protect the right of each person to pursue their own conceptions of the good life. Last is the idea that *a fair and just community is one that allows for the equality of opportunity for each to pursue their ends.*⁴² Enjoying negative liberty necessitates some extent that allows for a basic structure of society that does not allow for any kind of interference in your choices so long as these choices are meant to pursue your

⁴¹ Pierre Manent insightfully remarks here: “The Hobbesian description of the state of nature made it possible to reject simultaneously the claims of the classical view of nature and the Christian view of grace: the former by showing that nature is not good, or that life according to nature is the recapitulation of all evils; the latter by showing that these evils do not have their source in sin, but in necessity, and therefore require healing by art rather than by grace. Thanks to a new art, a new definition of the political good is born from this absolute evil.” *An Intellectual History of Liberalism* (Princeton: Princeton University Press, 1995), 24.

⁴² Liberals tend to disagree as to whether or not an equality of opportunity requires some degree of material equality. Brian Barry notes that “approximate material equality is a necessary condition of a socially just society, so the spread of unequal rewards must be constrained.” *Why Social Justice Matters* (Cambridge: Polity, 2005), 44. Richard Arneson, by contrast, maintains that “liberal political doctrines are those that affirm that people have moral rights to core individual freedoms, including freedom of thought, expression, and culture, freedom of organization and assembly and public protest, the rule of law including the right to a fair trial, wide individual liberty to live as one chooses provided one does not harm others, and rights of private ownership of resources, freedom of contract and market trading, and careers open to talents on a nondiscriminatory basis.” “Liberalism and Equality.” In Steven Wall (ed.) *The Cambridge Companion to Liberalism*. (Cambridge: Cambridge University Press, 2015), 212–236, 212. Equality of condition violates the basic fairness doctrine of liberalism, according to Arneson, due to the “leveling down effect,” 227ff. It seems clear that liberals share a basic conception of the social as so distinct from the state that intra-social phenomena, such as economic relations, are conceived as non-political or at least not really genuine relations of power and domination.

conception of the good. But this transformed the concept of a common good and common interest and dissolved it into the hedonic ends of individual agents. The result was a fragmentation of the common ends of associational life, and it also necessitated a change in the way that we view inequality: now it would be about distributional issues of opportunity, of desert, and so on.

In terms of economic inequality, the more progressive proponents of the liberal paradigm may seek to lessen the extremes of inequality, but only insofar as it believes in allowing all to have some equal access to an opportunity to enter into what is already an unequally structured complex of social relations. But perhaps even more importantly, modern liberalism—and I must distinguish this modern liberalism from the liberalism of thinkers such as Mill, Green, Hobhouse, and others who were essentially social liberals (i.e. liberals who still did not suffer from the embeddedness, to use Polanyi's term, of society into market society)—refuses to see economic life as essentially a political phenomenon. It refuses to see inequality as a power relation; it refuses to see inequality as a system of control, of dependence, and of arbitrariness. The market is conceived as separate from wealth and it, too, is depoliticized and made into mere mechanism for personal freedom. Indeed, it is simply absurd to assert that a common interest in public goods, democratic accountability of economic firms to public interests, or even some form of common, social ownership of economic organizations as somehow leading to a communitarian suppression of individuality and civic freedom. And it is therefore important that we reframe the non-liberal discourse against economic inequality and what makes it distinct from the prevailing liberal views that now dominate our discussions of the problem of economic inequality.

RADICAL REPUBLICANISM AND THE CONCEPT OF INEQUALITY

But the defeat of communism, the spread of global markets, the rise of a culture of hyper-consumption and one-dimensional materialism, has had the effect of further embedding the market and its logics into our culture and consciousness. We seem to be more and more infected by the problem outlined by Rousseau where the categories we use to comprehend inequality obfuscate the deeper purposes for which our collective social life ought

to be oriented. Our prevailing ideas track the interests of the powerful, the wealthy, not the interests of the whole.

So, what would a return to radical republican ideas look like? For one thing, we should cast aside the intimidating fear that cultivating ideas about the common interest and the essential sociality of human beings will throw us onto a road to serfdom or a “totalitarian democracy.” Modern liberals still make this anti-republican critique a pillar of the liberal world-view. Indeed, this liberal vision of modernity explicitly has in view the elimination of this republican thesis. Stephen Holmes, for instance, writes that “the old *res publica* conception of politics, renewed in modern times, serves only to over legitimate a bureaucratic agency with police powers. The Aristotelian belief that man is essentially a political animal makes it difficult to understand why citizens might wish to set boundaries to the political.”⁴³ But at this point, we should be wary of this argument. For one thing, the essential core principle of the radical republicans still has salience in the sense that the powers of the state should be accountable according to its capacity to protect citizens from the *pleonexic* interests and relations that accrue within capitalist economic life.

The eclipse of the radical critique of inequality can therefore be seen to explain much of the decline in political opposition to the ballooning inequality that infects contemporary societies. When so many have bought into the system, and have married their personal interests with the interests of elites, and when they increasingly throw up their hands and say cynically that the world is justified by its own existence, then we can see that the republican sentiment has run dry. And out of all of the radical republicans I have mentioned here, perhaps it is Rousseau who still has the ability to cut to the bone on this question when he writes in his *Social Contract*:

As for you, modern peoples, you have no slaves, but you *are* slaves. You pay for their freedom with your own. You boast of that preference in vain; I find it more cowardly than humane.⁴⁴

⁴³Stephen Holmes, *Benjamin Constant and the Making of Modern Liberalism* (New Haven: Yale University Press, 1984), 1.

⁴⁴Jean-Jacques Rousseau, *Du contrat social. Oeuvres Complètes*, vol. 3 (Paris: Éditions Gallimard, 1964), 103.



Products Before People: How Inequality Was Sidelined by Gross National Product

Philipp Lepenies

INTRODUCTION

Numerous high-profile publications have dealt with inequality in recent years, including Branko Milanovic's *Global Inequality* and *The Have and the Have-Nots*, Anthony Atkinson's *Inequality: What Can Be Done?*, Joseph Stiglitz's *The Price of Inequality* and *The Great Divide* or Richard Wilkinson and Kate Pickett's *The Spirit Level: Why Equality is Better for Everyone* to name but a few.¹ These were followed by what became the best-selling economics monograph of all time and probably one that

¹Branko Milanovic. *Global Inequality: A New Approach for the Age of Globalization* (Cambridge, MA: Harvard University Press, 2016); Branko Milanovic. *The Haves and the Have-Nots: A Brief and Idiosyncratic History of Global Inequality* (New York: Basic Books, 2010); Anthony Atkinson. *Inequality: What Can Be Done?* (Cambridge, MA: Harvard University Press, 2015); Joseph Stiglitz. *The Price of Inequality: How Today's Divided Society Endangers Our Future* (New York: W. W. Norton & Company, 2012); Joseph Stiglitz. *The Great Divide. Unequal Societies and What We Can Do about Them* (New York: W. W. Norton & Company, 2016); Kate Pickett, and Richard Wilkinson. *The Spirit Level: Why Equality is Better for Everyone* (London: Penguin Books, 2010).

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was covered by the media like no other before: Thomas Piketty's book on inequality, *Le capital au 21ème siècle*.² Even organizations like the International Monetary Fund or the Organisation for Economic Co-operation and Development (OECD) frequently—at least in recent years—highlight the issue of inequality, for instance, with the 2011 report “Divided We Stand: Why Inequality Keeps Rising.”³ From all this, one could infer that inequality is an issue that is traditionally covered by economists and social scientists as well as one that is relevant to politics.

However, this is not the case. Inequality has been only a marginal research topic in the global social sciences almost for half a century. Either inequality was considered a necessary lubricant of free Western societies and not per se problematic (as could be interpreted from Friedrich von Hayek's *The Constitution of Liberty* or Milton Friedman's *Capitalism and Freedom*). Or, it was believed that as long as the economy grew, everyone would profit. This view becomes obvious in quips such as “A rising tide lifts all boats” (often used by John F. Kennedy) or the image that if the pie gets bigger, then each slice gets bigger too—making it futile to quarrel about the different shares of the pie (see, for instance, the German minister of the economy, Ludwig Erhard or John Kenneth Galbraith, both of whom will be dealt with further in the chapter).

In fact, it was the fixation on economic growth that sidelined inequality. From one of the major social topics of the long nineteenth and the early twentieth century, inequality fell into political and academic irrelevance. Instead of whether societies grew more equal, or unequal, the focus was predominantly on whether industrial output got bigger and bigger. In other words, products came before people.

The statistical calculation of economic growth is determined by international convention (the System of National Accounts of the United Nations or UN SNA). It is the rate of change of the money value of all goods and services produced in a country. In other words, it is the rate of change of gross domestic product (GDP)—or gross national product (GNP) as it was known until the 1990s. The differences between GDP and GNP are of minor importance for the argument of this chapter, as both concepts emphasize the value of production (GDP aggregates goods and services produced within the confines of a

² Thomas Piketty. *Le capital au 21ème siècle* (Paris: Seuil, 2011).

³ OECD. *Divided We Stand: Why Inequality Keeps Rising*. OECD Publishing.

specific country, and GNP only those produced by nationals of a country be it in the country itself or elsewhere). Both concepts are based on the premise that all goods and services produced in a single country can be added up, as it were, into a single aggregate product with a single price tag. Arguably, there never has been an alternative statistical number so dominant and politically influential as GDP.⁴ This is because the statistic has come to mean much more than simply the productive strength of an economy (measured in the aggregate value of all products). GDP became a shorthand or proxy for the overall well-being of a country. If the economy grows, so the logic goes, the country and its people are better off. At the same time, GDP and growth are symbols of geopolitical strength as well as a proxy for progress and development. If, on the other hand, growth slows down or even becomes negative, it appears that a country is going through a major catastrophe. Unemployment, economic depressions and almost any other major international crisis seem to be successfully manageable if growth picks up again. GDP has been, for a long time, a one-size-fits-all indicator and promoting growth a one-size-fits-all political solution to almost any conceivable problem.

However, the political importance of GDP, or, more precisely, the political dominance of GDP, not only sidelined issues such as inequality in the course of the post-war era. In fact, the triumph (and this was a global triumph) of GDP was a triumph over an existing alternative metric, national income, that had at its core a preoccupation with income, income distribution and, by that, an emphasis on matters of equality and inequality. The focus on GDP was a deliberate attempt to refocus both statistical metrics and politics towards products over people. This chapter will recapitulate this story.

It is obvious that specific ideas and concepts emerge in specific contexts. Yet, not only is the exact context of the emergence of GNP/GDP usually not well known and not taught in economics courses, but the fact

⁴The uniqueness and influence of GDP and GNP also stem from the fact that these figures are officially and exclusively calculated by national public institutions such as statistical offices. They are part of a government's specific and official national "political arithmetic"—that is, numbers calculated by the state for governmental purposes. This is not the case with alternative measures of well-being such as UNDP's Human Development Index, indices such as David Morris's Physical Quality of Life Index or more recent measures such as the Happy Planet Index (New Economics Foundation) to name but a few.

that the success of GNP/GDP came at the cost of ignoring issues of income distribution is even lesser known. In this story, emphasis will be placed on the figure of Simon Kuznets. Kuznets, although most famous for his later work on inequality, is often granted the role of the inventor of modern GNP/GDP, yet it is mostly overlooked that at one point he put tremendous effort into fighting against the methodology and assumptions that were at the heart of GNP/GDP and to which he was emphatically opposed. His opposition was grounded in the danger he saw in placing products over people.

NUMBERS IN POLITICS

In today's time in which few and specific numbers such as GDP and growth dominate political discourse and the media, it is difficult to imagine that until the late 1920s practically no non-communist country in the world produced meaningful social or economic statistics that informed political debates or policies. For tax purposes, there had always been some form of income or wealth statistics (as long as there was income tax at all) and some export or import statistics since public revenue was often overwhelmingly linked to tariffs and trade. Yet, neither was there an aggregate statistical overview of the economy, nor were economic theory and the work of economists linked to empirics and numbers. Both politics and economics were basically numbers free.

As early as the mid-sixteenth century, the English anatomist and mathematician William Petty, a man inspired by the ideas of Francis Bacon, argued that politics should rely on data just as the nascent natural sciences did. In his concept of "political arithmetick," the state would use data in order to allow for "peace and plenty." In his writings, Petty went on to show that this could be done, by calculating the first national income of England. However, not only was his data mere guesswork, the English crown proved to be quite unimpressed and saw no practical use in pursuing the idea of a politics "by numbers" any further. The idea of calculating an aggregate "national income" (a term that Petty had not used himself) however survived—at least in the minds of individual academics who in the following centuries and in different countries, attempted to aggregate data in order to show that a picture of the economic wealth of a nation could be given. Yet, although a long lineage of different attempts to calculate national income exists, no government could be convinced to

have these type of indicators calculated officially, or better yet, to use them for information or decision-making purposes.⁵

All this changed with the Great Depression. Before 1929, economists believed in the natural waves of business cycles. The economy went up and down—and this movement was believed to be subject to clear rules and temporal intervals.⁶ Whenever an economic depression would hit, it would be natural to simply await the recovery. Using what was then known as the Harvard Barometer Method, economists observed the otherwise laissez-faire economy and tried to identify indicators that would allow them to state in which moment of the business cycle the economy was at a particular point in time. Once the slump was identified, theory predicted a timely and automatic recovery. Yet, the economic crisis of the Great Depression was so severe and had such large and unexpected consequences (such as prolonged mass unemployment) that it became obvious that this situation was not typical and was posing a threat to social stability. However, in most countries of the capitalist West, not only did neither politicians nor economists understand what was going on and why, but there was a preposterous absence of numbers and data with which the severity of the situation could be mapped out.

It was in the United States that legislators and thereby the political realm took action. Wisconsin senator Robert M. La Follette Jr. initiated a commission of inquiry that was tasked with getting a better overview of the situation. High-level representatives from different industries (automobile, railroads, steel, coal and banking) as well as academic experts testified in front of the commission, by giving first-hand impressions of what was going on.⁷ The head of the research department at the Department of Commerce, Fredrick Dewhurst, lamented the lack of economic and social statistics. Whereas indices and data were available for different goods, industrial

⁵ Charles Henry Hull. *The Economic Writings of Sir William Petty, Volume 1*. (Cambridge: Cambridge University Press, 1899); Philipp Lepenies. *The Power of a Single Number* (New York: Columbia University Press, 2016); Paul Studenski. *The Income of Nations: Theory, Measurement, and Analysis, Past and Present* (New York: New York University Press, 1958).

⁶ Joseph Schumpeter. *Business Cycles: A Theoretical, Historical, and Statistical Analysis of the Capitalist Process*, 2 Volumes (New York: McGraw-Hill, 1939); Nikolai Kondratieff. “Die langen Wellen der Konjunktur”, *Archiv für Sozialwissenschaft und Sozialpolitik* 56, no. 3 (1926): 573–609.

⁷ US Senate. *Establishment of National Economic Council. Hearings Before a Subcommittee of the Committee on Manufacturers*. United States Senate, First Session (71st Congress). Washington: US Government Printing Office, 1932a: 6215.

sectors, production and trade, there was virtually no information on households, their savings and income, living costs or the development of prices. Dewhurst aroused the interest of the committee by stating that such data were not only necessary to estimate the real socio-economic impact of the crisis, but that it was also technically feasible, at least in his view, to obtain this data. As a result, Congress passed the resolution 220 in 1932 under the heading “Estimates of National Income and its Distribution,” which made national income statistics a governmental responsibility.⁸ The Department of Commerce was given the task to provide this data for the years 1929–1931. The proposed time frame highlights the original goal of understanding the impact of Black Friday on the economy and on society. National income statistics were not yet seen as a necessary planning tool for governments, let alone a statistic that could show the overall degree of well-being of a country. Instead, what was to be analysed were the contributions of different sectors to national income, such as wages, salaries, profits, pension payments and so on.

However, shortly after his statement at the congressional hearing, Dewhurst left the Department of Commerce. Due to the lack of staff members capable of undertaking this task, the department turned to a think tank, the National Bureau of Economic Research (NBER). At the NBER, one researcher, Willford King, had experimented on his own with data a couple of years earlier in order to derive prototypical national income data. His estimates, however, were deemed methodologically unsound and questionable (among others, this estimate had included housework). Instead, a young émigré scholar from the Soviet Union, Simon Kuznets, was given the task to compute national income for 1929–1931. He was assisted by two researchers from the Department of Commerce, one of which was Milton Gilbert, who would later turn into one of the fiercest critics of Kuznets.

KUZNETS’S APPROACH TO NATIONAL INCOME

Simon Kuznets was born in 1901 in the town of Pinsk in czarist Russia. He attended university in Kharkiv in Ukraine, where he studied economics. During the Russian Civil War, Kuznets was made a department head

⁸ US Senate. “Estimates of National Income and its Distribution.” *Journal of the Senate* 27. Congress, 1st Session, 1932b: 556–567.

in the local Bureau of Labor Statistics. After his family immigrated to the United States, Kuznets attended Columbia University and subsequently started to work at the NBER. The NBER was part of a group of recently established think tanks that were funded mostly by philanthropic foundations and were driven by the belief that the social sciences could be given a true scientific footing in order to address pressing social and economic challenges. In the first years, Kuznets was doing research on business cycles. As one of the few researchers with a profound training in data collection and data analysis (not least given his Soviet exposure to planning and his work at the Bureau of Labor Statistics), he was given the task of looking into the question of how to calculate national income. Kuznets, who was later to be granted the Nobel Prize in Economics, was once described as the “exemplar economic empiricist of the century.”⁹ Instead of working on theory, like his peers, Kuznets’s work was characterized by giving priority to data collection and precise analysis.

As there was no general approach to national income analysis, Kuznets had to devise his own methodology. In the *Encyclopaedia of the Social Sciences*, Kuznets, given the task to provide the entry on national income, used the opportunity to describe in a comprehensive manner how national income was to be calculated according to his own ideas.¹⁰ For Kuznets, the purpose of the economic system was to provide the citizens of a country with goods and services. In calculating the national income, the decisive moment was the point in time when individuals received their income with the help of which goods and services could be purchased. Thus, national income had to be thought of in terms of incomes that individuals had at their disposal, not the value of production. However, what exactly comprised income had to be clearly defined. For Kuznets, income meant the sum total of wages and salaries, pensions, interest, dividends and so on—in short, any compensation in the form of a measurable market price. Although they benefited individuals directly, the value of goods manufactured for one’s own final consumption without money being paid for them in return as well as unpaid housework did not count.

Kuznets was aware that the dividing line between economic, that is, market and private activities, would shift from country to country and

⁹Vibha Kapuria-Foreman, and Mark Perlman. “An Economic Historian’s Economist: Remembering Simon Kuznets.” *The Economic Journal* 105, no. 433 (1995): 1524–1547.

¹⁰Simon Kuznets. “National Income”. In *Encyclopaedia of the Social Sciences, Volume 11*, edited by Seligman, Edwin and Alvin Johanson (New York: Macmillan, 1933).

would vary between different cultural contexts. This is why he believed that national income analysis only provided a snapshot of one particular economy—and could not be internationally compared given that the economic and social structure in different countries varied.

However in addition to simply aggregating income, almost half of Kuznets's entry highlighted the importance of looking at the distribution of income as an integral part of national income analysis. Since individual welfare was dependent on the level of income an individual had, looking at the distribution of incomes could allow statements regarding a country's well-being.

Next to emphasizing the question of distribution and by that inequality, Kuznets was extremely cautious regarding the use of the aggregate numbers he was about to produce. Specifically, he warned about overestimating what the data was expressing: "However used, figures like those... appear to be quite serviceable; they seem to measure in comparable units something quite definite and significant. Further investigation reveals, however, that the clear and unequivocal character of such estimates is deceptive."¹¹ Part of Kuznets's professionalism was to express that there was a gap between what "should" be measured and what "could" be measured.¹²

The first numbers were presented by Kuznets in the Senate publication *National Income 1919–1931*.¹³ With them, Kuznets described the activity of the economy entirely from the income side. And they painted a dramatic picture. National income had fallen by 50%. Yet, Kuznets again cautioned against a simplistic reading of the data, especially as further analysis of the distribution of incomes would be necessary to understand changes in the general well-being of society. He wrote: "The valuable capacity of the human mind to simplify a complex situation in a compact characterization becomes dangerous when not controlled in terms of definitely stated criteria. With quantitative measurements especially, the definiteness of the results suggests, often misleadingly, a precision and simplicity in the outlines of the object measured. Measurements of national income are subject to this type of illusion and resulting abuse, especially since they deal with

¹¹ Kuznets, "National Income," 207.

¹² Kuznets, "National Income," 224.

¹³ Simon Kuznets. *National Income, 1929–1932* (New York: National Bureau of Economic Research, 1934).

matters that are the center of conflict of opposing social groups where the effectiveness of an argument is often contingent upon oversimplification.”¹⁴

After the official publication, Kuznets set out to analyse national income further into the past. This resulted in his book *National Income and Capital Formation 1919–1935*, which was published in 1937 and in which, again, Kuznets made it clear that different methodologies resulted in different data and, thus, different pictures of the economy and that no certainty could be inferred from his numbers.¹⁵

The Department of Commerce carried on producing annual national income estimates from 1934 onwards. The estimates included the transfers of the government in welfare payments to the unemployed; the numbers were interesting from both an economic and socio-political view. More and more, politicians and the American media made use of the national income figures in a way that had no parallel in other countries. In this way, the concept of national income became part of political rhetoric and discourse, a concept understood by both politicians and the wider public alike.

In 1936, the concept had already gained so much prominence that Franklin Delano Roosevelt frequently referred to how much national income had already risen in the first four years of his presidency. And in his budget message of 1938, Roosevelt proclaimed: “We must start again on a long, steady upward incline in national income.” To see that incomes were finally as high as before the crisis was the stated goal—and national income seemed the suitable and ideal indicator of well-being.¹⁶

KEYNES AND THE WAR

The figures produced by the Department of Commerce were calculated using the method provided by Kuznets. With time, a growing number of economists in the public sector who were trained in the new ideas of John Maynard Keynes were calling for the calculation of relevant Keynesian

¹⁴Kuznets, “National Income, 1929–1932,” 209.

¹⁵Simon Kuznets. *National Income and Capital Formation, 1919–1935* (New York: National Bureau of Economic Research, 1937).

¹⁶Carol Carson, “The History of the United States National Income and Product Accounts: The Development of an Analytical Tool.” *Review of Income and Wealth* 21, (1975): 160; Rosemary D. Marcuss, and Richard E. Kane. “US National Income and Product Statistics: Born of the Great Depression and World War II”, *Survey of Current Business* 87, no. 2 (2007): 34.

macroeconomic aggregates like savings, investment or government spending that were not included in the Kuznets calculation. As early as 1934, a researcher at the Brookings Institution suggested his own economic statistics by integrating government spending into the calculation of the value of production. As he did not deduce depreciation of assets, he called his approach “gross national product.”¹⁷ However, his ideas were not influential. Yet, the name and the idea of integrating government spending resurfaced during the war.

In Kuznets’s income calculation, the emphasis was on the individual. The state and government activities featured only in the form of transfer payments that augmented individual incomes. The disposable income was the important category that made up national income. In this reasoning, government spending reflected expenditure for “economic civilization,” as Kuznets called it, spending for armaments, infrastructure and transport was therefore deduced from the overall calculation. These items comprised an unavoidable evil which counted as intermediate consumption but was not available for final consumers. For Kuznets, the economy was a place where private individuals transacted, as producers, workers and consumers. The state and thus government just provided the necessary rules, regulations and infrastructure that enabled the functioning of the economy.

Shortly before the United States entered the war, the Office of Price Administration and Civilian Supply (OPACS), which was in charge of mobilizing resources for the war and in whose ranks a number of first-generation Keynesians worked, advocated a strong increase in armament spending. Politically, however, it was difficult to convince political leaders and the public that this step was necessary, simply because through increased government spending for arms and war material, national income would drop.

When John Maynard Keynes visited the United States in 1941, he met with staff members of the OPACS, some of whom had studied with him in England. Around that time, OPACS economists had begun to experiment with alternative methodologies of calculating national income that would enable them to show that the rise in armament spending would not have the detrimental effects that Kuznets’s numbers suggested. This aroused the interest of Keynes. Briefly before his visit, Keynes had taken

¹⁷Clark Warburton. “Value of the Gross National Product and its Components, 1919–1929.” *Journal of the American Statistical Association* 29, no. 188 (1934): 383–388.

up and adapted the ideas of Colin Clark, a British researcher who had produced his own income calculation (which, as in all other cases outside the United States, had had no influence on politics and remained an academic exercise).¹⁸ Keynes had been commissioned by the British government to come up with a suggestion of how the war could be financed. In his pamphlet “How to Pay for the War,”¹⁹ Keynes suggested that instead of financing the fighting through bonds as in the Great War, government should now optimize “taxable income.” For this purpose, comprehensive income statistics were necessary. In order to calculate the income-centred tax base, Keynes quickly realized that suggesting a binding method of calculation would allow him to base it on the workings of the economy, according to his ideas set out in the “General Theory.”²⁰ He thus amended the suggestions made by Clark by introducing a system of accounts instead, each part of which was concerned with the relevant macroeconomic aggregates of the Keynesian Theory: savings, consumption, investment, government spending, income and so on. This system was built on the logic of double-entry bookkeeping and formed the basis of what later became known as the system of national accounts (the method by which according to international convention, gross domestic product is uniformly calculated by national statistical offices around the world). It showed just how all the relevant aggregates were interlinked and could be added up in order to arrive at national income. Although the General Theory was deemed a theoretical masterstroke, Keynesian ideas had not yet become mainstream in British politics. Rather, his ideas were met with resistance and scepticism. Through his model of accounts and due to the obvious practical benefits in deriving at a number of the possible “taxable income,” however, the Keynesian interpretation of how different parts of the economy interacted entered the hearts and minds of British politicians through the back door, so to speak—via a soberly system of accounts.

When Keynes presented his system to the staff of OPACS, the director of the office, Richard Gilbert, the cousin of Milton Gilbert, quickly saw that he could build upon the Keynesian and British system of accounts in order to get his point empirically across that armaments would not be as

¹⁸ Colin Clark. *The National Income 1924–1931* (London: Macmillan, 1932); Colin Clark. *National Income and Outlay* (London: Macmillan, 1937); Colin Clark. *The Conditions of Economic Progress* (London: Macmillan, 1940).

¹⁹ John Maynard Keynes. *How to Pay for the War* (London: Macmillan, 1940).

²⁰ John Maynard Keynes. *The General Theory of Employment, Interest and Money* (London: Macmillan, 1936).

hurtful to society and the economy as it appeared.²¹ In 1941, OPACS thus started to provide its own accounts, an estimate of “gross national product” as they called it, that differed not only in its emphasis on the value of production, but in that government spending was not a “regrettable necessity” or “necessary evil,” but an integral part of the economy. Yet, the American researchers did not simply copy the Keynesian system. Instead of highlighting taxable income, the OPACS found it more useful to highlight the productive capacity of the economy—and the value created through production (arguing that the value of production would equal the income generated). In terms of the material war planning, this was more important in their view than highlighting how much individuals had in their pockets to spend.

The reluctance of parts of the American public concerning America’s entry into the war stemmed from the fact that the American economy had just recently recovered from the shock of 1929. That disposable incomes had halved during the crisis, according to Kuznets’s national income figures, made politicians cautious and many opposed embarking on measures that would jeopardize the slow recovery of incomes that had taken place during the New Deal efforts. And although the OPACS had introduced a new measure, it was the Department of Commerce that produced the “official” and politically relevant number—at that time, this was still national income.

By then, Milton Gilbert had become head of the unit at the Department of Commerce that was responsible for the national income computation. He was very close to his cousin Robert Gilbert and both had worked as speech-writers for Roosevelt before the war. They were part of the still very small group of hard-core Keynesians working for the US government. Obviously, Richard and Milton Gilbert shared the view that the new “gross national product” approach was more useful in times of war. Yet, simply changing the methodologies of the Department of Commerce in line with the ideas of the OPACS was not that easy. Decision-makers, academics, the media and the public had to be convinced that measuring gross national product was more useful than national income.

When the Roosevelt administration presented the first true war budget for the year 1942, shortly after the attack on Pearl Harbour, planned armament spending was to amount to US\$56 billion. The year before had

²¹ Benjamin Mitra-Kahn. “Redefining the Economy: A History of Economics and National Accounting.” PhD diss. (unpublished), (City University London, 2009).

only seen a defence budget of US\$13 billion. With the traditional accounting measures, it seemed as if this extreme rise in government spending would result in a decline in private incomes of one-third. This, of course, was a dramatic and potentially dangerous spectre.

Milton Gilbert thus published a paper in which he argued that the assumptions underlying this calculation were wrong and by that also the methodology of national income.²² National income indicated the net value of production, expressed as the sum total of incomes of the various factors of production. More useful to him seemed the approach of calculating the production at market prices. This would mean that for instance taxes paid by companies (before paying out wages and salaries, etc.) would be included. The market value of goods and the income generated through sales was thus not the same as the amount paid out to the factors of production, that is, to workers and employees. Moreover, as taxes went directly to the state, the state had to be counted as a recipient of income as well—the relevant contribution of taxes to national income should be added to the overall measure of national income. This would result in the net value of goods and services provided. As armament spending was the novel and defining feature of the American economy, Gilbert proposed to use the gross value—without deducting the cost of depreciation. One reason was that the methodology of calculating depreciation was seen as flawed, the other was that especially when it concerned innovative and technically sophisticated arms, real depreciation in the first years was negligible. Also, if one computed market prices, that is, the prices that a product or service had cost on the market, then the cost of depreciation was accounted for—making it much easier to collect data on gross than on net values of production.

Gilbert named the resulting figure of his (and the OPACS) approach gross national product or gross national expenditure (in direct opposition to income). In addition to the market value of produced goods and services, it explicitly included the value of the goods and services produced by the state. Estimated in this way, gross national product resulted in a value roughly 25% higher than compared to equating traditional national income. According to this reasoning, and by stating that armament production in the past had not led to a crowding out effect but to an overall and interlinked expansion of industrial output, Gilbert went to show that

²² Milton Gilbert. 1942. "War Expenditures and National Production." *Survey of Current Business* 22, no. 3 (1942): 9–16.

although there would be a necessary shift in production from the private sector to armament production (and by that a redistribution of necessary resources such as steel and aluminium), the income left for private spending would not diminish by a third, but at the most by a fifth. This also meant that private households might have to withhold investments like, say, a car, but it was obvious that the basic needs such as clothing, housing and fuel could be met easily. The effects of large-scale armaments were thus not as dramatic in its consequences as thought.

By May 1942, the Department of Commerce began to publish estimates of gross national product in its publication *Survey of Current Business*. These estimates were updated quarterly. In order to sensitize politicians and the business community of the benefits of this changed statistics, Milton Gilbert published a number of articles in various different print journals in order to explain why the new metric was better than traditional national income. The fact that war required a different focus and that expanding income was not the key issue seemed plausible. But Gilbert also explained that the new methodology allowed—in his opinion—a more nuanced view of the working of the economy.²³

Quickly, the new measure was used by the government and public institutions as a basis of planning and the restructuring of the erstwhile peacetime economy into a full-fledged wartime economy.

In his 1945 budget speech to Congress, Roosevelt used the term “gross national product” in the same natural way as he had used national income in the years prior to the war. During the whole war, the message that “more production” was the way to win the war was printed on countless propaganda posters in which the slogan “more production” was linked, for instance, to an allied soldier counting “planes, tanks, ships, guns” with his fingers, or where pictures of trains and smoking industrial complexes were combined with a giant “V” for “victory program” (as the budget rise in defence spending was called) and the words “more more more production” or in which comic versions of Hitler, Mussolini and Hirohito were either hit by an avalanche labelled “more production” in a snowy landscape or—stylized as bowling pins—hit by a bowling ball combined with the slogan “bowl them over with more production” (Figs. 1 and 2).

²³Milton Gilbert, George Jaszi, Edward Denison, and Charles Schwartz. “Objective of National Income Measurement: A Reply to Professor Kuznets.” *Review of Economics and Statistics* 30, no. 3 (1948): 179–195.

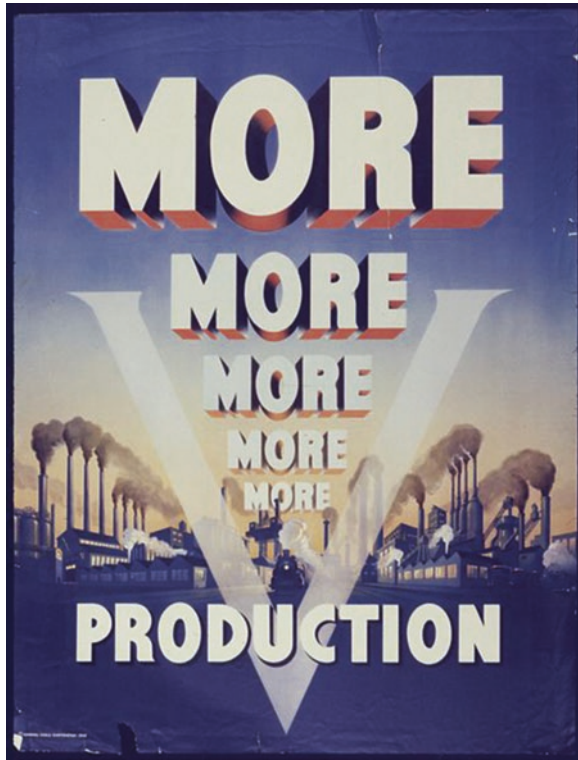


Fig. 1 More production as the pathway to victory. Office for Emergency Management. War Production Board. Around 1942/1943. Reproduced from US National Archives and Records Administration

It is this all-dominating focus on production, and on gross national product as the dominant statistic, that allowed the historian Russell Weigley to speak of a specific “American way of war,” that is, a “gross national product war.”²⁴ Government spending accounted for half of gross national product during wartime. It was the focus on income and income distribution that was completely lost.

²⁴Russell F. Weigley. *The American Way of War: A History of United States Military Strategy and Policy* (Bloomington: Indiana University Press, 1973).

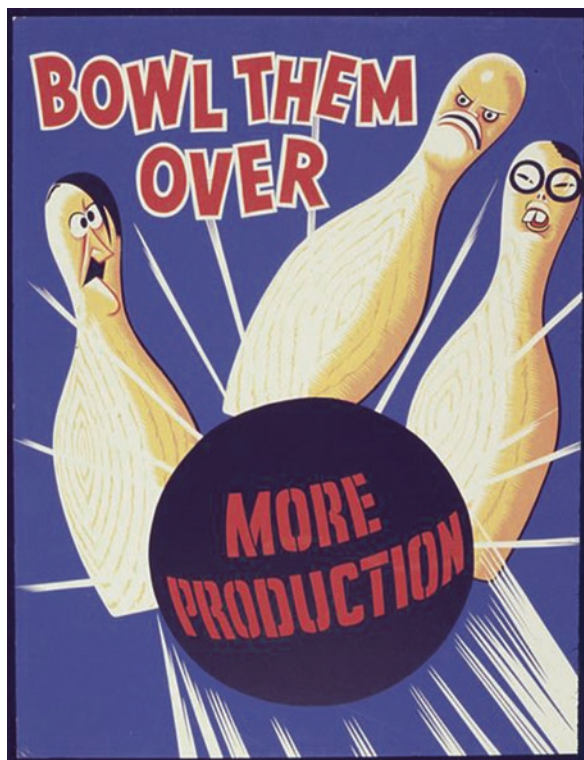


Fig. 2 More production bowls over Hirohito, Hitler and Mussolini. Office for Emergency Management. War Production Board. Around 1942/1943. Reproduced from US National Archives and Records Administration

A PERMANENT FIX?

For Milton Gilbert, gross national product showed a snapshot picture of the economy through Keynesian lenses. It provided not only information on productive capacity, but on the most important aspects of the economy. For this reason, it was obvious to him that gross national product was not only a wartime statistic, but useful for the post-war period as well.

Simon Kuznets, however, thought that this new measure was missing the point. In two book-length publications, *National Product, War and*

*Prewar*²⁵ and *National Product in Wartime*,²⁶ Kuznets attempted to promote his traditional view of the economy as purveyor of income to the citizens.

He defined national product as the net total contribution of economic activity of a nation. The idea of a “contribution” was decisive: For what end was something made? What was the objective? In wartime, what purpose did production serve? Was it the same as in peacetime? For Kuznets, it was clear that the method used to calculate national product was different in times of war. Not only was state involvement in the economy different during a war, so was the purpose of economic policy. In peacetime, the aim of all economic policy was to supply consumers with goods and services and by that to satisfy elementary human needs. During fighting, however, the goal was to produce as many goods and provide as many services as were necessary to win in combat. A peacetime economy produced goods for the benefit of the people. In times of war, the goal was for people to produce goods for the benefit of warfare. Consequently, Kuznets argued that during times of extreme crisis such as a world war, reverting statistically and in terms of political attention to gross national product might be suitable. When the fighting stopped, however, it would make more sense to revert to the calculation of national income.

For Kuznets, the new methodology of the Department of Commerce for calculating gross national product was unacceptable. Since government spending was counted as final product, government spending itself became a variable which could be changed by political decision-making. Gross national product was thus no specific, impartial methodology with which production could be calculated during wartime, because it accorded the state a major function in the economic system. Another line of criticism voiced by Kuznets had to do with the question of whether the existing data or the numbers calculated following the department’s methodology allowed for clear analysis, comparison and policy formulation. For Kuznets, who never tired of cautioning against an oversimplified interpretation of aggregate numbers, this was not the case.

²⁵ Simon Kuznets. *National Product, War and Prewar* (New York: National Bureau of Economic Research, 1944).

²⁶ Simon Kuznets. *National Product in Wartime* (New York: National Bureau of Economic Research, 1945).

In a review of Kuznets's *National Product, War and Prewar*, Milton Gilbert²⁷ and a couple of co-authors held that the propositions and criticisms of their former teacher were unsuitable for solving economic problems—be it in war or peace. Speaking with governmental authority, it was important for Gilbert to show that the official position was not to be shaken by an outside researcher and academic like Kuznets. Gross national product had become “political arithmetic” just as national income had a decade before. But the context and political goals had shifted.

In the fall of 1944, representatives of the United States, Canada and the United Kingdom met in order to harmonize the respective systems of national accounts underlying both the British system of taxable income and the American Gross National Product. This formed the basis of the SNA as it was to be formalized by the United Nations in later years to become a universally applicable method. Kuznets was not even invited to participate in the meeting.

Subsequently, Kuznets, again and in vain, tried to argue against the system of accounts. It was obvious that a system of accounts could document transactions among economic entities and thereby provide an overview of economic activities. Through the accounts, the function and importance of specific areas of the economy could be described and identified, how they behaved with regard to trends in the overall aggregate and which growth patterns emerged over time. Yet, the system of accounts lacked, according to Kuznets,²⁸ any clear statement about the basis on which the method of calculation was determined. For Kuznets, the system was biased towards production instead of the ultimate purpose of economic activity, the provisioning of goods for the consumers (and by that consumers able to spend their income on them). The fundamental difference to his approach was for him that the focus had moved from the individual consumer to the producer. Gross national product and national income thus differed in more than mere terminology; it was based on a completely different philosophy regarding what the economy was about and what the focus should be: income or production. Only time could tell which method would be more suitable to reflect economic activity and its

²⁷ Milton Gilbert. “National Product, War and Prewar: Some Comments on Professor Kuznets’s Study and a Reply by Professor Kuznets.” *The Review of Economic Statistics* 26, no. 3 (1944): 109–135.

²⁸ Simon Kuznets. “National Income. A New Version.” *Review of Economics and Statistics* 30, no. 3 (1948): 151–179.

social consequences. What is more, the double-entry bookkeeping approach created the illusion of harmony and logical interconnection of different parts of the economic system that might lead to misunderstanding and misuse of the numbers. Needless to say, one major fault found by Kuznets was the prominent and active role attributed to the state. Individual welfare and income were the issues to be concentrated upon. Government spending was usually more like an intermediate product that served the well-being of citizens. Government spending was thus not comparable to the goods and services consumed by individuals. This ultimately carried the risk of double counting, inflating numbers and by that, again, misrepresenting the economy.

Through the harmonization of three countries and the respective official statistical entities, Kuznets was relegated to the role of an isolated maverick of national income computation who himself had to endure severe criticism by Gilbert and his colleagues. Particularly, they had found fault with Kuznets's claim to have identified the ultimate purpose of all economic activity. According to them, this had introduced a "moral dimension" into the method of calculating national income that in their view had no place there, just as Lionel Robbins had argued in his 1932 *Essay on the Nature and Significance of Economic Science*.²⁹ Explicitly, Gilbert and his co-authors referred to the ideas of William Petty and saw their work as a continuation of his legacy.³⁰

POST-WAR CHALLENGES AND THE END OF INEQUALITY

Although the Allies had won the war, the memory of the Great Depression was still haunted American politicians. By the end of the fighting and after the surrender of Japan and Germany, President Truman saw himself confronted with the question of how millions of mostly young servicemen returning home could be integrated into the economy. What was to be avoided at all cost was renewed mass unemployment and the resulting destabilizing social unrest. It is in this period that the notion of "growth," that is, a steadily rising gross national product became not only politically

²⁹ Lionel Robbins. *Essay on the Nature and Significance of Economic Science* (London: Macmillan, 1932).

³⁰ Milton Gilbert, George Jaszi, Edward Denison, and Charles Schwartz. "Objective of National Income Measurement: A Reply to Professor Kuznets." *Review of Economics and Statistics* 30, no. 3 (1948): 179–195.

desirable, but was seen as a necessity (codified for instance in the “Employment Act” of 1946). At a time with little robotic technology, growing industrial production automatically meant that more workers were employed. So, as long as the economy grew, the risk of mass unemployment seemed minimal.

At the same time, Truman’s foreign policy attempted to change direct American military presence in the world wherever possible for economic aid efforts of reconstruction and development, be it through the Marshall plan, or after 1949 through aid payments to the mostly newly independent ex-colonies. In any case, recipient countries of American aid were forced to provide national accounts and gross national product figures in line with the system agreed upon in 1944. The goal of this financial support was to trigger growth. Growth and the expansion of production and industrial output were seen as effective tools to prevent Communism and Socialism. Growth, gross national product and its per capita measure quickly came to be the standardized measure with which to assess not only levels of development, but geopolitical strength of Western countries.

During the Cold War, and especially since the Soviet Union had become a nuclear power and seemed to win the race to space after the launch of the first satellite and placing the first human in orbit, focusing on growth attained yet another strategic quality. Growing economically was seen as a necessary condition for maintaining the balance of power in the world.

For many Western countries, especially those whose economy had been reconstructed by American financial aid, but also for the United States, the two decades following the end of World War II were a period of steady growth and unprecedented gains in the level of material prosperity. As this growth episode often meant not only rising material living standards but also wage and salary increases and full employment, it came as no surprise that gross national product quickly denominated much more than merely the value of products and services provided. Gross national product seemed to express the overall well-being of Western society.

Thus, the growth of a measure that was initially designed to help win the war through a refocus on production and productive capacity turned into a one-size-fits-all strategy to tackle all of the major policy challenges of the post-war years—be they internal or international. Moreover, as growth seemed to be a proxy of well-being, it was easy to understand how Western countries started to adhere to what was to be called

“Growthmanship”³¹—an excessive political emphasis on growth, combined with the belief that growth could solve all problems.

In this growth euphoria, inequality was lost. No one put this more directly than John Kenneth Galbraith in his 1959 book *The Affluent Society*, written at the height of Cold War Growthmanship. For him, “the economic social preoccupation with inequality” was “deeply grounded.”³² In light of the dramatic inequalities of the industrialization, it came as no surprise that “all Marxists took a drastic redistribution for granted”³³—and the redistribution of wealth and income was seen as the only possible social change during large parts of the nineteenth century. Yet, in the middle of the twentieth century, this vision had changed dramatically. Galbraith wrote: “Few things are more evident in modern social history than the decline of interest in inequality as an economic issue. This has been particularly true of the United States. ... While it continues to have a large ritualistic role in the conventional wisdom of conservatives and liberals, inequality has ceased to preoccupy men’s minds.”³⁴ But the decline in concern for inequality was not to be explained by “the triumph of equality,”³⁵ but “related to the fact of increasing production.”³⁶ Production “eliminated the more acute tensions associated with inequality. And it has become evident to conservatives and liberals alike that increasing aggregate output is an alternative to redistribution or even to the reduction of inequality.” Finally, he stated:

The oldest and most agitated of social issues, if not resolved, is at least largely in abeyance, and the disputants have concentrated their attention, instead, on the goal of increased productivity. This is a change of far-reaching importance. Our increased concern for production in modern times would be remarkable in itself. But it has also pre-empted the field once occupied by those who disputed over who should have less and who should have more.³⁷

³¹ Colin Clark. *Growthmanship*. Barnet: Institute for Economic Affairs, 1961.

³² John Kenneth Galbraith. *The Affluent Society* (Harmondsworth: Penguin, [1959] 1962), 72.

³³ Galbraith, “The Affluent Society,” 72.

³⁴ Galbraith, “The Affluent Society,” 79.

³⁵ Galbraith, “The Affluent Society,” 77.

³⁶ Galbraith, “The Affluent Society,” 87.

³⁷ Galbraith, “The Affluent Society,” 88.

Galbraith's views were shared in other countries as well.³⁸ One year earlier, Ludwig Erhard, the German minister of the economy and later to be second chancellor of the Federal Republic of Germany, had written a best-selling economic credo under the title of *Prosperity through Competition*³⁹ (the German version literally read: *Prosperity for All*). He stated that economic policy had to ensure "to lead ever widening circles of the German people towards prosperity." People needed to "overcome the old conservative social structure once and for all" as well as "ill-feeling between the rich and poor,"⁴⁰ and the basic idea was "to increase prosperity by expansion than to try for a different distribution of the national income by pointless quarrelling." That living conditions had increased so much in the post-war reconstruction demonstrated:

how much more sensible it is to concentrate all available energies on increasing the nation's wealth rather than squabble over the distribution of this wealth, and thus be side-tracked from the fruitful path of increasing gross national product. It is considerably easier to allow everyone a larger slice out of a bigger cake than to gain anything by discussing the division of a smaller cake.⁴¹

CONCLUSION

For decades, inequality had "ceased to preoccupy men's minds" (and surely women's minds too) as Galbraith had put it. The post-World War II episode of prolonged growth in the Western industrialized countries seemed to bear testimony to a whole new era—an era in which not only traditional quarrels between the better-off and the poorer segments of society were a thing of the past, but also the necessity to make inequality the subject of political and academic debates. This was not only the effect of a significant improvement in living standards and widespread full employment in many parts of the industrialized and capitalist world, but,

³⁸ Ironically, it was Simon Kuznets who, as his views on measuring national income were no longer heard, concentrated, as one of the very few social scientists, on the investigation of inequality. See, for instance, his seminar paper from 1955, with the often misinterpreted inverted u-curve hypothesis (Kuznets 1955).

³⁹ Ludwig Erhard. *Prosperity through Competition* (New York: Praeger, 1958).

⁴⁰ Erhard, "Prosperity through Competition," 1.

⁴¹ Erhard, "Prosperity through Competition," 3–4.

as this chapter argues, the result of the methodological shift from a welfare and people-centred metric of national income in Kuznets's definition to gross national product and a focus on productivity and production over people. The fact that gross national product was in the best sense of the word, "political arithmetick," a metric calculated by governmental institutions on behalf of the government and in order to justify governmental action and assess governmental policies exacerbated the peculiar and dominating position that the metric could develop in political discourse. Yet, the current renewed interest in inequality, born from a reaction to rising global inequalities, as well as the quest to overcome the detrimental fixation on growth as a one-size-fits-all approach in light of climate change might prove Kuznets right in the long run. Gross national product was the brainchild of a particular and peculiar circumstance. And the tale that growth will bring well-being for all seemed real long enough in order to still be believed by many. But history's lesson is that the long nineteenth century is not over; the debates on inequality have returned with a new imperative to place people over products—perhaps even people and planet over products.



Inequality by Numbers: The Making of a Global Political Issue?

Pedro Ramos Pinto

Inequality as a political issue was catapulted into political debate across the world in September 2011 when activists occupied Zuccotti Park in Wall Street, New York—the world’s leading financial centre—claiming to speak on behalf of the 99%, and against the 1%. Not long after, the runaway success of a book on economic history, Thomas Piketty’s *Capital in the Twenty-First Century*, confirmed that inequality had become a key political topic. First published in 2013, *Capital* has sold millions of copies in multiple languages and was for a while one of the most discussed books on both sides of the North Atlantic.¹ And this attention is spread even more widely, as the Pew Global Attitudes Survey shows. Its 2002, 2007 and 2014 waves, covering nations across the world, asked respondents to choose the ‘greatest threats to the world’ from a list including the spread of nuclear arms, infectious disease, pollution and the environment, religious and ethnic hatred and the ‘growing gap between rich and poor’. In 2002, only respondents in two nations in the sample (Poland and India)

¹Thomas Piketty, *Capital in the Twenty-First Century* (Cambridge, MA: Belknap Press, 2014).

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placed inequality as their top concern; by 2014 those in ten nations, including the United States, France and Germany, had chosen this issue as their foremost concern.

This chapter asks how and why inequality rose to the top of political concerns. A common explanation is the impact of the work of academic economists—especially of Piketty himself. In December 2012, even before Piketty published *Capital*, the US journal *Foreign Policy* put the French economist and his colleague Emmanuel Saez's 24th in its list of Top 100 Global Thinkers for having created 'the graph that occupied Wall Street'—a graph resulting from their work from the early 2000s showing the take off in the incomes of the top percentile in the US income distribution.² While *Foreign Policy*'s boast has to be taken with a pinch of salt, the coincidence between the work of economists and the mobilisation of social protest is worth considering. Why and how did the Occupy Wall Street (OWS) movement choose the '1%' as its enemy, and what were the reasons for the sudden success of Piketty's work (which after all had been around since the early 2000s)? Despite the effects of the 2008 financial crisis, which were serious and continue to affect millions of people, it is not clear that there was a sudden spike in income inequality in the Western countries at the time—if anything, there were slight reductions in the levels of within-country inequality in richer Western nations where the 99% movement took hold.³ So, although growing income disparities were a feature of many countries, the politics they generated were seldom expressed in the language of inequality. Even after 2008, this emphasis on economic inequality as mobiliser of protest was also not used to the same extent across different parts of the world. The 'We are the 99%' slogan and associated arguments was principally a feature of the US (and to an extent British) manifestations of the cycle of protest opened up in 2011.

This chapter is an attempt to think historically and transversally about the dynamics that led to the emergence of inequality in a particular framing—that of personal distribution by percentiles. Drawing work from several disciplines, it argues that we need to seek an explanation in the interaction of three different processes: first, the trajectories of techniques

² "Thomas Piketty, Emmanuel Saez—for Making the Graph That Occupied Wall Street," *Foreign Policy*, no. 197 (2012).

³ Jonas Pontusson and David Weisstanner, "Macroeconomic Conditions, Inequality Shocks and the Politics of Redistribution, 1990–2013," *Journal of European Public Policy* 25, no. 1 (2018): 42.

and expertise used to describe the world; second, the Western middle classes' experience of inequality, the insecurity and anxieties it produces; and finally, the emergence of transnational protest movements, starting with the Global Justice Movement, and their attempts to articulate a critique of capitalism that would connect across very diverse constituencies, interests and ideologies.

In a recent paper, Daniel Hirschman has explored the making of the '1%', arguing that the 'regimes of perceptibility' of the economics profession—that is, its theoretical assumptions and measurement tools—contributed to making the accumulation of incomes at first invisible and, more recently, revealed as a series of 'stylised facts' about inequality.⁴ Building on scholarship on the co-construction of statistics and society, Hirschman refers us to the importance of knowledge in creating political issues. But on its own, the production of 'stylised facts' is an insufficient basis for political action. Such knowledge can, however, be used to frame interpretations of circumstances and conditions. The concept of 'framing' was developed in social movement studies to explore the agency of political actors in mobilising constituencies by constructing identities, highlighting issues, diagnosing causes and strategies for addressing them. Framing mediates between the material conditions and mental states of potential constituencies and their purposeful collective action.⁵ Yet not all frames gain acceptance with those to whom they are addressed: 'resonance', or the extent to which frames are adopted, depends on multiple factors, including the trustworthiness of its proponents and of the 'facts' that underpin it.⁶ It is in this last regard that this chapter makes a contribution, linking the availability of a growing body of authoritative knowledge about inequality, presented in a format and language that is currently considered legitimate and objective, to the political entrepreneurship of social movements in contexts (particularly the United States and the United Kingdom) where wide constituencies were open to such arguments.⁷ In short, this chapter seeks to explain the creation of a political issue through the interaction between socio-economic conditions, the tools producing

⁴Daniel Hirschman, "Rediscovering the 1%: Economic Expertise and Inequality Knowledge," (2016).

⁵Robert E. Benford and David A. Snow, "Framing Processes and Social Movements: A Overview and Assessment," *Annual Review of Sociology* 26 (2000): 614–618.

⁶Ibid., 614–622.

⁷Isabelle Bruno, Emmanuel Didier, and Julien Prévieux, *Statactivisme: Comment Lutter Avec Des Nombres* (Zones, 2015).

social knowledge and the political agency through which the two are combined. It argues that these processes came together in a moment of political opportunity afforded by the transnational financial crisis of 2008 and beyond. However, it also argues that the combination of these three factors has contributed to a discussion of inequality that is too narrow and, ultimately, liable to be ‘nationalised’, crowding out a more global approach to its causes. And in that sense, it may have played into the hands of the kinds of nationalist politics we see gaining strength across many Western democracies.

INEQUALITY KNOWLEDGE

The wording of the question in the Pew survey mentioned above is ambiguous: respondents were asked about how far they saw the growing gap between rich and poor as a threat to the world. But does this refer to global inequality, in the sense of either inequalities of income and resources between individuals, regardless of where in the world they live; or inequalities between countries in terms of national income aggregates; or are respondents primarily concerned about inequalities experienced within their own countries?⁸ This matters, since it displays either a growing awareness of global disparities or simply the return of the politics of distribution to national debates.⁹ Although related, these three ways of seeing inequality are different political problems. Additionally, the Pew questionnaire leaves out other dimensions on which humans can be considered unequal: in terms of health, quality of life or education. How we define and describe inequality matters. The topic returned to the political agenda in 2011 in the language of economics—as inequalities of income between individuals. This is a result not only of the growing weight of economics in public life, but also of the changes in the way economics itself looks at inequality. Over the last century the language of politics and policy has become increasingly quantitative, and the discipline of economics has grown in status as the means and ends of government, with consequences for the kinds of ‘inequality’ knowledge available.¹⁰

⁸ Branko Milanovic, *Worlds Apart: Measuring International and Global Inequality* (Princeton, N.J.: Princeton University Press, 2005).

⁹ Tony Judt, “The Social Question Redivivus,” *Foreign Affairs* 76, no. 5 (1997).

¹⁰ Theodore M. Porter, *Trust in Numbers: The Pursuit of Objectivity in Science and Public Life* (Princeton, N.J.: Princeton University Press, 1995); Marion Fourcade, “The Construction of a Global Profession: The Transnationalization of Economics,” *American*

For most of its two centuries of existence, the discipline of economics tended to pay little attention to questions of distribution between individuals, making the form in which inequality has now appeared in debates difficult to establish. In the last 20 years, however, it has increasingly come to focus on inequality between individuals.

Since choices in definition and measurement matter, it is important to consider how the production of knowledge about inequality has changed over time. While ranking of people and countries in terms of income is a relatively recent phenomenon, seeing the world in terms of hierarchies has a long history. However—particularly in the Western tradition—these differences were attributed to prior characteristics, such as birth, function or holiness. They were justified for being natural or ‘god given’, or at least required to tame man’s ‘natural instincts’. At different points in time, such beliefs have been challenged by alternative accounts of human ‘nature’; and in Western thought, the idea of natural law (and humankind’s equality before it) emerging from the eighteenth century laid the foundations for a challenge on such justifications for inequalities of power, status and wealth.¹¹ It was also around this time that, aided by novel ways of representing society quantitatively—such as social tables and pioneering censuses—and visions of the economy promising progress and abundance, some voices (including Paine and Condorcet) argued that it would be possible for human societies to match the equality of human nature with a reduction of inequality of wealth through redistribution.¹² Despite that radical moment, and even as the wealth gap between the imperial and industrial powers and the rest of the world grew, global and national inequalities were most often represented and explained in civilisational and racial terms, that is, that some races or social groups were inherently and hereditarily superior to others, and such explanations of difference were also central to the emerging ‘sciences of man’ of the nineteenth century, including sociology and economics.¹³ The assumption that inequalities of income and wealth reflected natural inequalities contributed to a

Journal of Sociology 112, no. 1 (2006); Alain Desrosières, *Prouver Et Gouverner: Une Analyse Politique Des Statistiques Publiques* (Paris: La Découverte, 2014).

¹¹ Marshall Sahlin, *The Western Illusion of Human Nature* (Chicago, Ill.: Prickly Paradigm, 2008). Ben Jackson, “The Conceptual History of Social Justice,” *Political Studies Review* 3, no. 3 (2005).

¹² Gareth Stedman Jones, *An End to Poverty? A Historical Debate* (London: Profile, 2004).

¹³ André Bêteille, “The Idea of Natural Inequality,” in *The Idea of Natural Inequality and Other Essays* (New Delhi: Oxford University Press, 1972); Terenzio Maccabelli, “Social

generalised lack of attention to individual distribution in the emerging discipline of economics. Nonetheless, classical economists were interested in differences in income between countries and, principally, between ‘factors’ of production, that is, *functional* distributions.¹⁴ Seeing inequality functionally means asking how income is allocated to each factor of production (such as labour and capital) in relation to its contribution to the production process. For instance, Classical economists such as David Ricardo and Karl Marx, were more concerned with differences in aggregate income between classes—say labourers or the owners of capital—than with more fine-grained accounts that took into account individuals and social roles other than those of direct production (including gender and race, for instance).¹⁵ Despite the ‘marginalist revolution’ in economics from the late nineteenth century onwards leading the discipline to focus on the role of individual actors in markets, the neoclassical approach it produced was largely uninterested on individual incomes, regarding them as determined by productivity and demand.¹⁶

The onset of the Great Depression and mass unemployment in the 1930s sparked renewed concerns about poverty and, to an extent, inequality. Nevertheless, the approach taken by recently created statistical offices on both sides of the Atlantic continued to focus on functional distributions of income. The influence of Keynes’ economic ideas was significant, providing a way to combine liberal and classical economics concerns with efficiency with a justification for redistributive interventions aimed at full employment and supporting labour’s share of national income.¹⁷ Such understandings were reinforced by New Deal-era liberal corporatism (and in Europe by the development of equivalent neo-corporatist institutions after the war), where labour unions became a mediator for political and social citizenship, contributing to institutionalising the male breadwinner model through employment-based access to welfare. This model directed

Anthropology in Economic Literature at the End of the 19th Century: Eugenic and Racial Explanations of Inequality,” *American Journal of Economics and Sociology* 67, no. 3 (2008).

¹⁴ Agnar Sandmo, “The Principal Problem in Political Economy: Income Distribution in the History of Economic Thought,” in *Handbook of Income Distribution*, ed. Anthony B. Atkinson and François Bourguignon (Elsevier, 2015).

¹⁵ Michele Alacevich and Anna Soci, *A Short History of Inequality* (Newcastle-upon-Tyne: Agenda Publishing, 2017), 28–33.

¹⁶ *Ibid.*, 34–36.

¹⁷ Ben Jackson, *Equality and the British Left: A Study in Progressive Political Thought, 1900–1964* (Manchester: Manchester University Press, 2007), 123.

the attention of policymakers and statisticians to aggregates of labour income and away from questions of personal distribution.

The United States emerged from the Second World War as the world's largest industrial producer and exporter, experiencing a continued period of economic growth, job creation and rapidly rising standards of living. This 'Golden Age' gradually spread to Western Europe under the *Pax Americana* and the aegis of a new network of international economic institutions. The 30 years from the mid-1940s to the mid-1970s, while not eradicating poverty, undoubtedly improved living standards across Western Europe and North America. By 1958, J. K. Galbraith could assert: '[F]ew things are more evident in modern social history than the decline of interest in inequality as an economic issue (...) inequality has ceased to preoccupy men's minds'. For the author of *The Affluent Society*, the cause was simple, if misguided: 'increased production is [seen as] an alternative to redistribution'.¹⁸ Recent reconstructions of patterns of income and wealth distribution show that the period between the end of the Second World War and the 1970s saw an almost unprecedented reduction in economic inequality across the West, driven by rising levels of employment and income, tax and transfer policies that alleviated market inequalities, as well as the through the effects of the World Wars and inflation on accumulated wealth.¹⁹ The 'Golden Age' took the sting out of inequality as a political issue. The intellectual and disciplinary lenses of the economics profession, as well as generalised belief that inequality had been falling since the end of the war, meant that there was a lack of systematic and sustained interest in constructing measures that spanned the entire population, although a few lone voices spoke against this disregard.²⁰

Lacking reliable indicators and the interest to use the existing data on inequality meant that once patterns of inequality started changing, these were largely invisible to the public. The economic troubles of the 1970s and 1980s—including rising poverty and unemployment—prompted a 'rediscovery of inequality' in the 1980s.²¹ Nevertheless, despite this fresh

¹⁸ John Kenneth Galbraith, *The Affluent Society* (2nd Edition) (London: Hamish Hamilton, 1969), 79, 92. For more on J. K. Galbraith in the context of the debate on inequality please see Philipp Lepenies chapter in this anthology.

¹⁹ Pierre Rosanvallon, *The Society of Equals* (Cambridge, Mass: Harvard University Press, 2013); Piketty.

²⁰ Hirschman.

²¹ Alice O'Connor, *Poverty Knowledge: Social Science, Social Policy, and the Poor in Twentieth-Century U.S. History* (Princeton: Princeton University Press, 2002).

breath of interest, the issue failed to grip the public's moral imagination during the 1980s and 1990s. Politics was, in part, to blame: even if by the 1980s many economists, statisticians and campaigners were demanding greater attention to the measurement of distribution, there is evidence that governments, particularly those directed by a re-energised form of economic liberalism, actively diverted their efforts, contributing to the public's ignorance of changing inequalities.²² Politics was also enmeshed with statistical knowledge in other ways: as Alice O'Connor points out in her analysis of the United States, the prejudices of several generations of politicians, economists and statisticians meant that available distributional data, built around the model of the white male worker was blind to the workings of structural inequalities of race and gender. As such, 'inequality knowledge' did not intersect with 'poverty knowledge' that showed a concentration of deprivation amongst women and African-Americans—allowing the New Right to fill the void with renewed arguments about the cultural roots of poverty, diverting attention away from inequality.²³ Nonetheless, despite the limits of the available data, evidence on evolution of inequality was mounting. By the early 1990s, a number of studies pointed towards a sustained increase in inequalities and to the likely growing share of income of the top percentiles of earners.²⁴

The historical digression above shows how the production of inequality knowledge evolved to the point when, in the early 2000s, Piketty and Saez could produce their graph showing the rise in top income shares. Their work generated considerable academic and some press attention, and by that point it can be said that representation of inequality as personal distribution of income was well established. However, this does not mean that it had become a political issue. Citation analyses reveal that the 'take-off' in interest in the paper happened only *after* 2011 and the mobilisation of Occupy Wall Street.²⁵ Why did this knowledge fail to make an

²² Ibid., 243–244. Felix Römer, "Inequality Statistics and Knowledge Politics under Thatcher," (Forthcoming).

²³ O'Connor, *Poverty Knowledge*, 264–265.

²⁴ Frank Levy and Richard J Murnane, "Us Earnings Levels and Earnings Inequality: A Review of Recent Trends and Proposed Explanations," *Journal of Economic Literature* 30, no. 3 (1992); Anthony B. Atkinson, "Bringing Income Distribution in from the Cold," *The Economic Journal* 107, no. 441 (1997).

²⁵ The graph appeared in its final form in their article 'Income Inequality in the United States, 1913–1998' in *The Quarterly Journal of Economics* 118, no. 1 (2003): 1–41. Citation reports appearing between 2003 and June 2018 were collated from *Web of Science* and

impact over the 1990s and 2000s? McCall's analysis of media attention to inequality in the United States between 1980 and 2010 reveals that, despite some spikes in coverage, there was limited media discussion. McCall attributes this to the interplay between the availability of data—which increased throughout the period, with little impact on the level of media coverage—and the framing of the problem. Attention to inequality only flared up when it was tied to a narrative of its impact on the middle class, going against cherished American narratives of equality of opportunity.²⁶ While these 'peaks' of inequality-related media discussion recede into insignificance in the face of the post-2011 level of attention, they suggest that the emergence of this issue is less related to its actual incidence than to the ability of critical actors to change the narrative. What was different about 2011 was the way in which a new political actor was able to draw on the mounting economic data about inequality and reframe it in relation to the anxieties and sense of insecurity of part of the middle classes, under growing pressure from two decades of 'winner takes all' model of globalisation.

GLOBAL INSECURITIES: THE WESTERN MIDDLE CLASS AND GLOBAL INEQUALITY

There is evidence that growing income and wealth inequalities within Western nations have not only affected the relative position of the poor, but also led to a 'hollowing out', or 'stretching out' of the middle class.²⁷ If in Britain there are indications that welfare was able to keep the income share of the bottom half relatively stable, in the United States the incomes of the bottom 50% have been consistently degraded between 1980 and 2014, with the post-tax income growth of the bottom standing at just 21%

Scopus. Because of different methodologies, the two databases give different citation totals, 751 in *Web of Science*; 1115 in *Scopus*. While either total is lower than that in *Google Scholar* (3349), both show a similar distribution of citations by year, with the great majority coming in 2012 or after: 68.9% in the *WoS* dataset, and 65.3% in *Scopus*. Data analysis was conducted on 27 June 2018; figures are available on request.

²⁶ Leslie McCall, *The Undeserving Rich: American Beliefs About Inequality, Opportunity, and Redistribution* (Cambridge: Cambridge University Press, 2013), 89.

²⁷ Arthur S. Alderson and Kevin Doran, "How Has Inequality Grown? The Reshaping of the Income Distribution in Lis Countries," in *Income Inequality: Economic Disparities and the Middle Class in Affluent Countries*, ed. Janet C. Gornick and Markus Jäntti (Stanford: Stanford University Press, 2014).

over the period (but just 4% for the lowest quintile), while the figure for the top 1% is 194% (and treble that for the top 0.001%).²⁸ Other data suggests that the United States and Britain saw the largest declines in the income share of the middle classes in rich nations between the 1980s and 2010 and, at the same time, some of the largest gains accruing to the top 5%.²⁹ So, while the middle and lower middle classes of Western nations are absolutely better off than 30 years previously, their gains were small, especially compared to the rewards accruing to those at the top. Opportunity and mobility have been curtailed, and, perhaps more significantly, there has been a shift in *who* earns, and *how* they earn. Lower-skilled but previously ‘good’ jobs have been degraded in terms of pay, conditions and security, and women and migrants have entered the workforces of Western economies in greater numbers, challenging the position of ‘native’ male workers. The combination of increased economic uncertainty for the middle classes and a sense that traditional social hierarchies of class and gender are changing is said to be behind a turn to socially conservative positions—ranging from increased support for nationalist parties, the British ‘Brexit’ vote, or the election of Donald Trump to the US presidency. Several authors have linked these political choices to anxieties over status, especially for those in the lower middle classes—and of men in these groups—whose status derived from their role as main breadwinners and embodiments of national self-imagination. Such dynamics are undoubtedly important, but it is worth asking whether the drivers of status anxiety are purely national, and affect only the lower middle classes.

The self-imagination of Western nations is intrinsically bound up with a hierarchical view of the world, one that places the ‘West’ in a position of superiority vis-à-vis other parts of the globe. While globalisation is often invoked as the cause of economic changes affecting Western middle (and particularly lower middle) classes, its effect on political choices is seldom explored. Yet, arguably, citizens in these countries are also increasingly aware of their position in a globalised economy. During the first decade of the new millennium, according to a Pew survey of US citizens, a majority of respondents saw the emergence of China as a world power as a ‘major threat’. Tellingly, in 2009, as the effects of the global financial crash were

²⁸ Facundo Alvaredo et al., *World Inequality Report 2018* (Cambridge, Mass.: Harvard University Press, 2018), 67–73.

²⁹ Branko Milanovic, *Global Inequality: A New Approach for the Age of Globalization* (Cambridge, MA: Harvard University Press, 2016), 195–198.

felt, the proportion of US respondents seeing China as world's leading economic power (44%) overtook those who saw the United States as the leading economy (27%) for the first time.³⁰ Making such comparisons requires knowledge about global inequalities—a social imaginary of 'stylised facts' about the distribution of wealth across nations and, for instance, in discussions about the Asian 'middle classes', about personal distributions of income on a global scale. Just as with knowledge about within-country inequalities, the availability of such knowledge required the development of conventions and tools of measurement over several decades.

Between the Second World War and the 1980s, the question of global distribution of incomes gradually came to the attention of the field of development economics, encouraged by the establishment of international organisations tasked with advising and directing national policymakers in a changing, decolonising world in the 1940s and 1950s.³¹ An emerging constellation of international organisations, from the World Bank to the United Nations, found in GDP estimates a system of comparison and abstraction that made their global remit manageable. And, for newly independent postcolonial nations, it offered a means to comprehend and modernise the nation. Whether the 'household' was the most appropriate unit of analysis everywhere, the degree of monetisation of different forms of production and exchange, the complexities of each national context were lost in the universalising flattening of GDP calculations. The development of the concept of a global economy and of the possibility of comparison revealed, in Speich's words, 'a sensational new view of the world as a place of enormous poverty', and of vast inequalities between nations.³² This vision of inequality was a double-edged sword. While it constrained an understanding of a diverse and complex world within a Western-derived productivist and ostensibly de-politicised model; it also helped reveal an exploited 'Third World', producing stylised facts that could be used to mobilise anti-colonial and postcolonial movements.³³ While the centrality

³⁰ <http://www.people-press.org/2009/12/03/us-seen-as-less-important-china-as-more-powerful/>.

³¹ Daniel Speich, "The Use of Global Abstractions: National Income Accounting in the Period of Imperial Decline," *Journal of Global History* 6, no. 1 (2011): 13.

³² *Ibid.*, 10.

³³ Michele Alacevich, "The World Bank and the Politics of Productivity: The Debate on Economic Growth, Poverty, and Living Standards in the 1950s," *ibid.*; Vincent Bonnacase, "Inequality in the World: The Emergence of a Political Idea in the 20th Century," in

of poverty and distribution within the World Bank waned during the heyday of structural adjustment agendas in the 1980s, the Bank continued to be a key producer of statistics on global distribution of incomes, particularly after 2000.

The measurement of interpersonal inequality on a global scale continues to present greater logistical challenges than estimates of personal income distribution in wealthier nations (which are also data-rich).³⁴ In recent decades, however, a body of work on global personal distributions of income has offered a new picture not only of startling inequalities but also of the changing position of the Western middle classes which, combined with the dissemination of other ‘stylised facts’ about the narrowing gap ‘emerging’ and ‘established’ economies, has fed anxieties and insecurities that contributed to the politicisation of inequality.³⁵ If in the 1960s such data reinforced the idea of an impoverished ‘Third World’, by the early twenty-first century it fed a sense of anxiety and insecurity about the subversion of global hierarchies. Since the turn of the millennium, Western media have recurrently deployed statistics about the size and wealth of Asian middle classes or predicting the point in time at which large emerging economies will ‘overtake’ Western nations.

With the rapid growth of large countries in the South, particularly China and India, first from the 1980s, and especially from 2000 onwards, the idea of a new global middle class has appeared. ‘Middle classes’ in these developing countries have narrowed the gap that separates them from those in the West. In comparative terms, the middle and lower middle classes of the rich West have been the ‘losers’ in this process, seeing their incomes grow by the smallest proportion across the global distribution—if not stagnate completely.³⁶ In absolute terms, this global ‘middle class’ is still significantly poorer than the middle and even lower middle classes of rich Western nations; but this is scant consolation for Europeans and North Americans, who compare their prospects to those of the generation that preceded them and feel increasingly insecure about the future.

Reducing Inequalities: A Sustainable Development Challenge, ed. Rémi Genevey, R. K. Pachauri, and Laurence Tubiana (New Delhi: TERI Press, 2013); Rob Konkel, “The Monetization of Global Poverty: The Concept of Poverty in World Bank History, 1944–90,” *Journal of Global History* 9, no. 2 (2014).

³⁴ Sudhir Anand and Paul Segal, “What Do We Know About Global Income Inequality?” *Journal of Economic Literature* 46, no. 1 (2008): 91.

³⁵ Alacevich and Soci, chapter 4.

³⁶ Milanovic, *Global Inequality*, 11–20.

Preserving living standards in the global North is now likely to require enduring more precarious forms of employment and working longer hours and for a longer period before retirement than in previous generations.³⁷ This rebalancing of global distribution interacts with the rise of insecurity in rich Western nations in ways that are of significance to understand the conditions of politicisation of inequality.

The experience of insecurity, whether it is linked directly to the experience of economic deprivation or simply to its threat, has the potential to bring to the fore questions of fairness and desert.³⁸ In the wake of Donald Trump's election to the US presidency, much has been made of his appeal to the 'white' working class, and similar arguments have been made about the Brexit supporting electorate in Britain. But precarity and insecurity have also affected a growing cohort of young people who a few decades previous would bear the hallmarks of entry into the middle and upper middle classes: urban, holding professional qualifications, and often children of parents who were themselves securely middle class. And it was this constituency in particular that embraced the message of the OWS movement and which helped put inequality on the agenda in 2011.³⁹

FROM THE GLOBAL JUSTICE MOVEMENT TO OCCUPY WALL STREET

Occupy Wall Street—the occupation of Zuccotti Park, a small square in New York's financial district, between September and November 2011—was the moment when the framing of the '99% versus the 1%' brought inequality centre stage, particularly in the United States and Britain. Contrasting the accumulation of resources in an elite with the experiences of everyone else was a remarkably successful proposition, and one which arguably helped Occupy Wall Street reach a wide audience, providing a pithy message that 24-hour news media could package and broadcast. It was the movement's choice of this frame that transposed 'stylised facts'

³⁷ Guy Standing, *The Precariat: The New Dangerous Class* (London: Bloomsbury Academic, 2011).

³⁸ McCall, 168–167; Jacob S Hacker, Philipp Rehm, and Mark Schlesinger, "The Insecure American: Economic Experiences, Financial Worries, and Policy Attitudes," *Perspectives on Politics* 11, no. 1 (2013).

³⁹ Ruth Milkman, Stephanie Luce, and Penny W. Lewis, *Changing the Subject: A Bottom-up Account of Occupy Wall Street in New York City* (New York: CUNY/The Murphy Institute, 2013), 10.

produced by academics and other experts to a much wider audience, giving a political edge to the concerns of the Western middle classes.

However, it was not a given that anti-austerity movements would choose this particular frame to highlight the injustices of neo-liberal agendas. European anti-austerity movements such as the Spanish *Indignados* (which inspired the creation of Occupy Wall Street) mobilised around issues that differed from the US or British Occupy. While economic issues were central to these mobilisations, they tended to be articulated in terms of social rights of citizenship, rather than in terms of economic inequality, arguably because the experience of inequality in those countries was different to that of the more liberalised economies of Britain or the United States.⁴⁰

Why Occupy Wall Street ended up focusing on economic inequality is related to the way it emerged from a diffuse network of activists linked to anti-globalisation campaigns of the previous decade. In terms of overlap of issues, tactics and often of activists, the Occupy Wall Street was an inheritor of anti-globalisation mobilisations from the late 1990s known as the Global Justice Movement, linked to the protests at the World Economic Forum in Seattle in 1998, and to the various World Social Forum meetings in the late 1990s and early 2000s. The Global Justice Movement was in many ways a novel movement, reflecting the emergence of a global imaginary, linked by the frame of ‘anti-globalisation’—more precisely, by opposition to a market-driven globalisation—and by the aim to promote an ‘alter-globalisation’ founded on democratic accountability and a commitment to human rights.⁴¹ In that sense, it was a social movement in part informed by the picture of global disparity revealed by the growing body of knowledge produced since the 1980s. Yet its arguments were rarely articulated through the lens of income inequalities: Global Justice Movement and World Social Forum debates tended to focus instead on the operation of social inequalities (including those of race and gender), and how these were connected to questions of power, with money an intervening variable, not the focus of attention. The adversaries of the

⁴⁰ Cristina Flesher Fominaya, “European Anti-Austerity and Pro-Democracy Protests in the Wake of the Global Financial Crisis,” *Social Movement Studies* 16, no. 1 (2017); Paolo Gerbaudo, “The Indignant Citizen: Anti-Austerity Movements in Southern Europe and the Anti-Oligarchic Reclaiming of Citizenship,” *Social Movement Studies* 16, no. 1 (2017).

⁴¹ Manfred B Steger and Erin K Wilson, “Anti-Globalization or Alter-Globalization? Mapping the Political Ideology of the Global Justice Movement,” *International Studies Quarterly* 56, no. 3 (2012).

Global Justice Movement were corporations, governments and systems, more than the rich as individuals.⁴²

While it served as the entry point to left-wing activism to a generation, the Global Justice Movement as a global movement lost steam after 2005, as some activist groups waned and participation at social forum meetings dropped, even if pockets of activism persisted.⁴³ Some of the causes of this decline were cyclical: its novelty faded somewhat, and with it the attention of international media; other issues such as the Iraq War diverted supporters; and protest fatigue was undoubtedly a factor. But there were also significant internal debates and divisions that contributed to the deflation of the movement. The Global Justice Movement's diverse constituency had been brought together by the opposition to a capital-led globalisation, but there was less agreement on the strategies and principles to build an alternative. Catherine Eschle has highlighted the differences between Marxist critics of globalisation, who emphasised its economic dimension and those who took a more intersectional approach, concerned with gender, race and other forms of identity as vectors of oppression.⁴⁴ The Global Justice Movement was divided on how to articulate these identities and strategies, on whether to call upon individuals as exploited workers or as excluded and oppressed minorities—questions that have characterised debates across the left since the 1970s.⁴⁵ There was also disagreement over who should be the target of claims: transnational corporations and international organisations, or national governments? At what level should solutions and redress for injustice be sought—what are the responsibilities of the nation-state, and how do these relate to powerful transnational actors, be them other nations or corporations?⁴⁶ By the early 2000s, beset by rifts, the Global Justice Movement turned towards more local forms of action and anti-capitalist movements failed to mobilise in numbers or gain the visibility they had around the turn of the millennium. Although present in some mass protests such as the anti-war

⁴² William F. Fisher, Thomas Ponniah, and Boaventura Sousa Santos, *Another World Is Possible: World Social Forum Proposals for an Alternative Globalization* (London: Zed Books, 2015).

⁴³ Geoffrey Pleyers, "The Global Justice Movement," *Globality Studies Journal* 19 (2010).

⁴⁴ Catherine Eschle, "Constructing the 'Anti-Globalisation Movement'," *International Journal of Peace Studies* (2004).

⁴⁵ Razmig Keucheyan, *The Left Hemisphere: Mapping Critical Theory Today* (London: Verso, 2013).

⁴⁶ Steger and Wilson, "Anti-Globalization or Alter-Globalization?"

demonstrations of 2004, their ability to energise large transnational protests seemed to have gone.⁴⁷

A decade later, after 2010, a new wave of protest flared up in different parts of the globe. Anti-regime protests in Tunisia sparked mobilisations across North Africa and the Middle East, including in Egypt and Syria. By the spring of 2011, mass protests had also appeared in the Southern European countries most affected by the consequences of the 2008 financial crisis. Soon similar protests followed in other parts of the world, including Occupy Wall Street. These movements were heterogeneous, rooted in local conditions, but also linked by an emulation of ideas, imagery and tactics, which included the use of social media as a tool of mobilisation and the occupation of public space as a means to garner visibility.⁴⁸

While many of the supporters that flocked to Zuccotti Park were new to protest, the core of activists and organisations that put the occupation in place had been active in challenging neo-liberal politics in the United States for some time, and many had links to Global Justice Movement.⁴⁹ However, the great majority of the latter's activists were younger and had few ties to earlier movements.⁵⁰ But they could draw on the earlier movement's ideas, tactics and experience.⁵¹ The groups that initiated Occupy Wall Street, had continued to face the same dilemmas of the earlier cycle, in particular how to construct a political subject and a mobilising identity that could both connect the disparate cores of activism and go beyond them to mobilise much more widely. A detailed account of Occupy Wall Street recounts how this problem came to a head in discussions over the creation of New York City General Assembly, by groups that were aiming to follow up the radical magazine *Adbusters'* call for the occupation of Wall Street:

⁴⁷ Pleyers, "The Global Justice Movement," 2.

⁴⁸ Isabel Ortiz et al., "World Protests 2006–2013," *Initiative for Policy Dialogue and Friedrich-Ebert-Stiftung Working Paper* (2013), <https://doi.org/10.2139/ssrn.2374098>; Donatella Della Porta, "Mobilizing against the Crisis, Mobilizing for 'Another Democracy': Comparing Two Global Waves of Protest," *Interface* 4, no. 1 (2012).

⁴⁹ Michael A. Gould-Wartofsky, *The Occupiers: The Making of the 99 Percent Movement* (Oxford: Oxford University Press, 2015), 39–41.

⁵⁰ Helma GE de Vries-Jordan, "The Global Justice Movement and Occupy Wall Street: Spillover, Spillout, or Coalescence?," *Global Discourse* 4, no. 2–3 (2014). Jackie Smith, "Social Movements and Political Moments: Reflections on the Intersections of Global Justice Movements and Occupy Wall Street," in *Street Politics in the Age of Austerity: From Indignados to Occupy*, ed. Marcos Ancelovici, Pascale Dufour, and Héloïse Nez (Amsterdam: Amsterdam University Press, 2016).

⁵¹ Craig Calhoun, "Occupy Wall Street in Perspective," *The British Journal of Sociology* 64, no. 1 (2013): 28; Flesher Fominaya, 8.

the would be occupiers were unable to settle on a single demand. (...) The anarchists opposed any demands that addressed themselves to states, parties, or elected officials. (...) Conversely the populists, pragmatists and democratic socialists opposed demands that did *not* address what they saw as the root causes of the crisis, namely neo-liberal economics and the top-down politics of the “1 percent”.⁵²

Gould-Wartofsky suggests that the need to find a message that could square such differences opened up the way for the 99% slogan. Whether or not it was the academic and activist David Graeber, who personally invented the frame of the 99% versus the 1%, his account shows how it usefully addressed the problem. Graeber was in contact with the *Adbusters* editorial team, who had launched the #OccupyWallStreet meme. Seeking ways to give the event a broader appeal, Graeber recalled having read a column by the Nobel Prize-winning economist Joseph Stiglitz referencing the Piketty and Saez data on inequality. Graeber says:

it also struck me that since 1 percent effectively was what we referred to as “Wall Street,” this was the perfect solution to our problem: who were the excluded voices frozen out of the political system, and why were we summoning them to the financial district in Manhattan (...)? If Wall Street represented the 1 percent, then we’re everybody else.⁵³

As several commentators have noted, the frame of the 99% versus the 1% was one of the keys to the Occupy Wall Street’s mass success and one of its shortcomings. It echoes the call by the influential left theorists Ernesto Laclau and Chantal Mouffe to create a ‘populist reason’ and construct a mass democratic subject based on an expansive collective identity.⁵⁴ It was a ‘floating signifier’ to which supporters could attach their own meaning: a survey of occupiers and supporters show that most often-cited reason for joining Occupy Wall Street was ‘inequality/the 1%’.⁵⁵ As one interviewee stated: ‘There was total clarity who the bad guys were’.⁵⁶ The combination

⁵² Gould-Wartofsky, “The Global Justice Movement,” 51.

⁵³ David Graeber, *The Democracy Project: A History, a Crisis, a Movement* (New York: Allen Lane, 2013), 40.

⁵⁴ Manissa McCleave Maharawal, “Occupy Wall Street and a Radical Politics of Inclusion,” *The Sociological Quarterly* 54, no. 2 (2013).

⁵⁵ Milkman, Luce, and Lewis, 22.

⁵⁶ Ruth Milkman, Penny Lewis, and Stephanie Luce, “The Genie’s out of the Bottle: Insiders’ Perspectives on Occupy Wall Street,” *The Sociological Quarterly* 54, no. 2 (2013): 195.

of a popular frame, occupation tactic, location and a savvy media strategy gave Occupy Wall Street impact and placed inequality firmly on the agenda.⁵⁷ Media outlets in the United States provided extended coverage to the occupation, and accompanying it was a spike in mentions of ‘economic inequality’; although the rate of mentions dropped after the end of Occupy Wall Street, the issue was established, as were mentions to the ‘1%’.⁵⁸

This framing of the issue of injustice through economic inequality addressed a political dilemma facing anti-capitalist protesters. But it was only available in this form because of the accumulation of ‘stylised facts’, in Hirschman’s term, about income distribution generated by economists during the previous decade. Piketty’s graph did not ‘occupy Wall Street’, but Occupy Wall Street could not have existed in the same way if it had not been able to point to statistics that had been slowly making their way from academic papers to mainstream publications via radical magazines such as *Mother Jones*.⁵⁹ The ‘Occupy moment’—and the longer politicisation of inequality it generated—has to be explained by this triangulation between knowledge, audience and political agency. However, the pivotal use of the 99% versus 1% frame also had costs, which we can relate at least partially to the movement’s failure to sustain mobilisation. It also contributed to narrowing those debates, emphasising the economic dimensions of inequality over its social and political causes and helping to ‘nationalise’ inequality as a political issue, to the neglect of its global dimension.

PROBLEMATISING THE 99% VISION OF INEQUALITY

When visiting the Occupy camp outside St Paul’s Cathedral in London during the early part of 2012, one of the posters that grabbed my attention was a sign occupiers had posted in a corner of the square. Neatly made, it reproduced a London street sign but read ‘Tahrir Square, EC1’, the local postcode (Fig. 1). In the spirit of many of the protests of the time, it playfully encapsulated the solidarity and recognition that protesters in London offered to their Egyptian counterparts. However, it also suggested how these protests—for better and for worse—nationalised repertoires and

⁵⁷ Calhoun.

⁵⁸ John Knefel, “Bored with Occupy—and Inequality,” *Extra! Newsletter* May (2012), <https://fair.org/extra/bored-with-occupy8212and-inequality/2933/>.

⁵⁹ Kevin Drum, “Why Screwing Unions Screws the Entire Middle Class,” *Mother Jones* 2011.

strategies. This was also what happened to the issue of inequality. The success of the 99% versus 1% slogan—particularly in the United States and in Britain—had two significant effects: firstly, it reproduced the focus on quantitative, economic aspects of inequality even whilst trying to highlight their political dimension; and secondly, it diverted attention from questions of global inequality which had been central to the Global Justice Movement.



Fig. 1 Occupy London, October 2011. This poster—created in the style of London street signs—was placed outside St Paul’s Cathedral, on the site of a camp that lasted between October 2011 and February 2012. Picture by Pedro Ramos Pinto

Critics and supporters alike have suggested that the breadth of the 99% identity label, its ‘populist’, homogenising appeal, made it difficult for activists to negotiate diversity within the movement. Juris et al. noted the existence of cleavages between white, middle-class activists, more at home in the individualised forms of activism that characterised Occupy Wall Street, and the traditionally more ‘communitarian’ politics of ethnic minority activists. This led to the internal dynamics of various Occupy camps becoming increasingly fraught, as participants tried (unsuccessfully) to raise issues of class, race, sexual orientation and gender within the movement, and as strategic issues.⁶⁰ Such difficulty in acknowledging social difference can also be related to the way in which the quantification of inequality has led us to individualise it: popular websites invite viewers to input their income details, positioning them in percentiles of distribution; and campaigning organisations such as Oxfam name the eight individuals whose combined wealth is equal to that of 3.7 billion of the world’s population.⁶¹ Seeing inequality through the lens of aggregates is not necessarily superior to seeing it in individualised terms: both have the potential to reveal important dynamics (Piketty, for instance, uses both methods in his work). But the choice has consequences for what inequalities are made visible, and for the politics that can flow from it.

A second important aspect of Occupy Wall Street was its national focus. In this sense, it was closer to the anti-austerity movements witnessed in Europe—with an emphasis on national discourses, national sovereignty and symbols—than to the Global Justice Movements that preceded it.⁶² Despite its global projection, Occupy Wall Street focused more on the complicities between the US financial and political systems than on inequality as a global problem. Some US Social Forum activists (from the Global Justice Movement tradition of activism) were highly critical of Occupy Wall Street for failing ‘to generate an analysis of the global causes of inequality that could guide and sustain activism over time’.⁶³ This leads

⁶⁰ Jeffrey S Juris et al., “Negotiating Power and Difference within the 99%,” *Social Movement Studies* 11, no. 3–4 (2012); Anonymous, “Occupy: The End of the Affair,” *ibid.*, no. 3/4; Maharawal; Gould-Wartofsky.

⁶¹ Oxfam International: ‘Just 8 men own the same wealth as half the world’, 16 January 2017 Press Release <https://www.oxfam.org/en/pressroom/pressreleases/2017-01-16/just-8-men-own-same-wealth-half-world> (Accessed 1 October 2018).

⁶² Donatella Della Porta, *Social Movements in Times of Austerity: Bringing Capitalism Back into Protest Analysis* (Cambridge: Polity, 2015), 102–108.

⁶³ Smith, *Changing the Subject*, 208.

to the question of who the '99%' are, and how far is the global South part of the picture. If not part of the global '1%', the Western middle classes are not far off that percentile in terms of wealth and income—Milanovic estimates that 12% of the US and 5% of the UK population are amongst the global 1% in terms of income.⁶⁴ Displacing the blame for the world's ills towards the ill-defined '1%' helps the upper middle classes of Western nations to continue ignoring their complicity in processes that generate and reproduce inequality and injustice on a global scale.

Inadvertently, Occupy's left populism parallels that of right-wing movements such as the Tea Party or, more recently, Trump's 'Make America Great Again'. This is not to suggest a moral equivalence between the two, rather that for very different reasons both sought to mobilise visions of a 'people' that were primarily constructed against an ill-defined elite, rather than prompt an engagement with the political and social processes that produce inequalities. And while OWS was never 'nationalist' in an exclusionary sense, its 'nationalisation' of inequality was also a missed opportunity to bring the transnational dynamics of disparity into play in a more focused way.

This chapter has explored the interaction between social knowledge, socio-economic conditions and mobilisation. By deploying 'stylised facts' produced by economists and technocrats, social movements were constitutive of the way in which inequality became a political issue. The importance of bringing the issue of inequality to the fore at this moment cannot be underestimated, but the terms under which it is framed matter. Causes of inequalities can and have been sought in differentials of power, in socially constructed boundaries of class, race or gender (to name but a few) and in the operation of multiple overlapping institutions and rules that assign rewards and access to resources.⁶⁵ Such processes operate across vast spaces spanning borders and continents, and the 'nationalisation' of inequality stands in the way not only of understanding them but also of the critical need to give voice to those who most suffer by it. As Nancy Fraser reminds us, representation is particularly problematic when flows of people, commodities, power, and the social and economic effects of their activity spill across the borders of territorialised sovereignty.⁶⁶

⁶⁴ Milanovic, *Global Inequality*, 38.

⁶⁵ Charles Tilly, *Durable Inequality* (Berkeley: University of California Press, 1999).

⁶⁶ Nancy Fraser, "Reframing Justice in a Globalizing World," *New Left Review* 36, no. November–December (2005): 78.

These transnational factors are deeply implicated in the creation of global inequality, but recede into the background when the debate becomes multiple distinct debates about national inequalities. A further problem with the framing of the debate on inequality is its ‘monetisation’, or a narrow focus on inequalities of income or wealth. This makes it translatable in the language of economics—but, as Timothy Mitchell reminds us, ‘[t]o fix a self-contained sphere like the economy requires not only methods of counting everything within it, but also (...) some method of excluding what does not belong’⁶⁷ And what do not belong, or are not easy to bring back into the language of economic inequality, are power, politics and social constructs such as gender, race and borders, all dimensions that contribute to create and perpetuate lived inequalities.

⁶⁷ Timothy Mitchell, “Fixing the Economy,” *Cultural Studies* 12, no. 1 (1998): 92.

Inequality, Discrimination and Human Rights



Inequality and Post-War International Organization: Discrimination, the World Social Situation and the United Nations, 1948–1957

Steven L. B. Jensen

International organizations are spaces of inequality. In forums such as the United Nations (UN) inequalities are documented and debated. They are negotiated, reproduced, contested, mitigated and sometimes transcended. Despite striking commonalities over time, inequalities are changeable and appear in different historical formations depending on the period in question. In the post-1945 era, international organizations have been among the most important settings in terms of bringing global inequalities—whether economic, social or geopolitical—to light.

As such a setting, the United Nations reveals many of the paradoxes that influence the debates on inequality. Inequalities are part of the structures of the United Nations while also addressed in its substantive work. Or, as the International Relations scholar Amitav Acharya has argued, “The UN system functions ... as a symbol of both global solidarity and

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global injustice.”¹ This seemingly paradoxical—but fair—observation points us towards not opting for either too idealistic or too cynical understandings of the UN’s historical role. Instead, it may allow for a more subtle approach to analysing how inequality is addressed as part of the dynamics of international organization and how multilateralism interacts with global political processes or transformations.

In his insightful book *International Pecking Orders: The Politics and Practice of Multilateral Diplomacy*, Vincent Pouliot argues that the practice of multilateral diplomacy does not only produce inequality in relations—reflected in political hierarchies—but that it also produces complex and contradictory social effects.² The point is that while inequality in power relations exists, the outcomes of political processes are invariably more complex and not always predetermined by the inequalities in global governance. There is variation and political manoeuvring space for less-powerful actors to shape international politics which again make international organizations and multilateralism more interesting as subjects of historical study.

Pouliot operates with an important distinction between the notion of “hierarchy” and the affiliated notion of “authority.”³ Hierarchy and authority can co-exist without one necessarily being subsumed by the other. Hierarchy stipulates one way of structuring power relations and stratification in the setting of international organizations. Authority draws on a more legitimate, socially acceptable form of stratification where in the multilateral domain alternative leaders can emerge in setting agendas, shaping discourse and securing political outcomes. This is what happened in the example of the UN’s early work on discrimination which is featured in this chapter. Tackling discrimination at the UN represented a form of global inequality politics and, as such, affected state’s political interests. However, the highest-placed actors in the political hierarchy—based on their military power and reflected in the privileged position as veto powers in the UN Security Council—could not so easily dictate how this body of work evolved, how it came to shape the international organization that the UN was and how it influenced external developments. These processes

¹ Amitav Acharya, “‘Idea-shift’: how ideas from the rest are reshaping global order,” *Third World Quarterly* 37, no. 7 (2016): 1157.

² Vincent Pouliot, *International Pecking Orders. The Politics and Practice of Multilateral Diplomacy* (Cambridge 2016), 4.

³ Pouliot, *International Pecking Orders*, 259–264.

determined outcomes and they shaped the politics of inequality in ways that help us understand its broader history.

In terms of this broader history, it is worth noting that as a setting for international diplomacy and policymaking, the United Nations brings its own chronology to the histories of global inequality. It does not necessarily operate with the same temporality compared to trends in domestic policymaking, public debates or academic research regarding questions of inequality. This is clear both in recent times where the UN had inequality on its global agenda before the 2008 financial crisis and in the larger historical context from 1945 onwards.⁴ Focusing on the UN challenges how we capture the dynamics of the broader history of debates and contestations over global inequality: When did these various debates emerge? What was the substance? What political dynamics defined them? Did they influence later developments?

This chapter presents two examples of inequality politics at the UN during the 1950s. They are illuminating for the international politics of the era. However, they have also been chosen because they proved—in their own discreet ways as is often the case with the international organization setting—to be formative for significant larger international debates in the ensuing decades. These debates include the questions of racial discrimination or defining international development policy in the 1960s and the New International Economic Order debates in the 1970s.

The chapter shows how non-discrimination arose as an aspirational framing for something that in reality addressed entrenched and persistent social and economic inequalities around the world. Debates on non-discrimination and human rights therefore generated strong political resistance and led to a contestation over this part of the UN's mandate soon after its creation. The story about the efforts to secure non-discrimination as an international policy issue inside the UN is the first example covered here. The second example follows how inequality can be made visible and invisible through the institutional procedures at the UN. The focus here is on how the UN worked with the question of standards of living on an international scale and looks at the development of a global report of the “world social situation” and the parameters that came to define this significant analytical endeavour during the 1950s. Inequality was prominently featured in the UN's initial exploration of the social in the global

⁴United Nations, *The Inequality Predicament: Report on the World Social Situation* (New York, 2005).

domain in the early 1950s only to mysteriously disappear as a featured concept later in the decade.

DISCRIMINATION AS A UNITED NATIONS POLICY MANDATE, 1948–1957

In a 1955 article in the journal *International Conciliation* entitled “The Quest for Equality,” Danish Law Professor Max Sørensen noted:

One of the most powerful political ideas of our time is undoubtedly the principle of equality. In one way or another, most political and social movements which have shaped contemporary society have tended to break down privileges and inequalities.⁵

At the time of writing this piece, which was a detailed exploration of the evolving international efforts to prevent discrimination, Sørensen found himself at the centre of a political battle over tackling the multitude forms of discrimination existing around the world in the context of post-1945 international organization. It was a battle involving some of the strongest powers shaping international diplomacy.

The contestation was over whether the United Nations should focus on preventing discrimination as part of its international efforts. Sørensen was serving as chairman of the UN Sub-Commission on Prevention of Discrimination and Protection of Minorities—an expert subcommittee to the UN Commission on Human Rights. More international attention was being placed on the nature and problem of discrimination. It was also becoming more entrenched in certain parts of the world such as South Africa where it was analysed as part of a systemic “politics of inequality.”⁶ What was being contested at this time was whether the international

⁵ Max Sørensen, “The Quest for Equality,” *International Conciliation* (1955): 291. It is worth noting that the most prominent Danish counterpart to Max Sørensen on the question of international law and human rights had a very different and less idealistic take on “the equality principle” at the United Nations. In 1950, Professor of Law Alf Ross wrote on this principle that “It is obvious that here too we are only concerned with an ideologically motivated declaratory principle in flagrant conflict with the actual facts.” Alf Ross, *Constitution of the United Nations. Analysis of Structure and Function* (Copenhagen: Munksgaard, 1950), 135.

⁶ Gwendolyn Margaret Carter, *The Politics of Inequality. South Africa since 1948* (New York, 1958). See also Carol Anderson, *Eyes off the Prize. The United Nations and the African American Struggle for Human Rights, 1944–1955* (Cambridge, 2003).

community had any role or responsibility in dealing with discrimination but it naturally spoke to much larger global political issues. As the Dutch scholar Siep Stuurman has suggested, “notions of equality are always grafted upon pre-existent discourses of inequality.”⁷

This begs a reflection on what forms and focus the study of global inequality should take. The recent studies of global inequality have a strong emphasis on statistical-economic data and trends for many good reasons (see the Introduction to this book). However, inequality is more than a measurable human condition with observable trends over time. It is also a form of politics that finds its expressions in various ways in policy-making processes and domains. In the attempt to historicize the trajectories that have shaped global inequalities, we need to consider a broader variety of themes, of sources and evidence and historical processes that can shed light on these inequalities. In what way does, for instance, historicizing discrimination fit in here?⁸

Principles of non-discrimination form part of the UN Charter from 1945—the foundational document for the new post-war international organization. Following on from this, non-discrimination became a central principle of the 1948 Universal Declaration of Human Rights. This is particularly reflected in Article 2, where the prohibitive grounds of discrimination are listed as “race, colour, sex, language, religion, political or other opinion, national or social origin, property, birth or other status.” The question of discrimination—and its mirror concept of equal treatment—quickly received political attention. In 1946, India openly criticized South Africa at the UN General Assembly for its discriminatory practices. The US-based National Association for Advancement of Colored People tried to bring the case of rights violations against African Americans before the United Nations.⁹ In the emerging Cold War context,

⁷ Siep Stuurman, “Beyond ‘Modern Equality’: Can We Write a World History of Cross-Cultural Equality?” *Intellectual History Review* 16, no. 1 (2010): 59.

⁸ A divide between economic inequality and the so-called status equality is central to the overall argument of assessing the lack of efficacy of human rights to counter the expansion of economic inequality in Samuel Moyn, *Not Enough. Human Rights in an Unequal World* (Cambridge, MA: Belknap Press/Harvard University Press, 2018). These two forms of inequality are, however, much more closely entwined, and hence, status equality or non-discrimination should be regarded as an integral part of the global inequality debate.

⁹ Carol Anderson, *Eyes off the Prize*, 106–112. See more recently David L. Sloss, “How International Human Rights Transformed the US Constitution,” *Human Rights Quarterly* 38, no. 2, (May 2016): 426–449.

discrimination soon became a platform for the Soviet Union and other Communist states to criticize the United States over its domestic racism.

Discrimination was therefore a contested policy issue inside the United Nations already by the end of the 1940s. The question, however, remained what actual significance it would obtain. In parallel, and beyond the aforementioned controversies, several processes for working substantively with discrimination were initiated by either the UN General Assembly or the UN Economic and Social Council (ECOSOC). These steps would help solidify discrimination as a policy field worthy of, indeed requiring, international attention. The UN Secretary-General was tasked with preparing a study on “The Main Types and Causes of Discrimination.”¹⁰ The report from June 1949 provided a comprehensive overview exploring the subject based on some key guiding principles, namely “the principle of individual freedom and the principle of equality of all human beings before the law” and through exploring different notions of “the social” (social conditions, relations, practices, prejudices and behaviour).¹¹ The report also placed special emphasis on the important role of education more widely, in addition to its focus on law, arguing that

the entire field of action in the prevention of discrimination requires a vast programme of education. This is true even with those practices which may be immediately suppressed by law for the law may be ineffective unless it finds support in the attitudes of the people.¹²

In this, as well as other areas, the UN looked at actions aimed at future generations for the resolution of burning political questions of the day. The focus on educating future generations offered a form of potential compromise by which the organization addressed certain contentious issues without making a direct challenge to existing state behaviour or practices. However, beyond projecting solutions into the future, the UN Secretary-General Trygve Lie did look at the larger global political context arguing that the post-war era was a time ripe for action when arguing that:

Social conditions in many parts of the world have developed to a point where it is possible to enact new legislation prohibiting many discriminatory

¹⁰ E/CN.4/Sub.2/40/Rev.1: *The Main Types and Causes of Discrimination*. Report by the UN Secretary-General. June 1949.

¹¹ E/CN.4/Sub.2/40/Rev.1, 4.

¹² E/CN.4/Sub.2/40/Rev.1, 5.

practices. The very fact that the United Nations has adopted the Universal Declaration of Human Rights, and established the Sub-Commission on Prevention of Discrimination and Protection of Minorities, indicates that the eradication of discrimination is considered to be possible.¹³

This positive assessment would soon be challenged at the UN by leading Western powers. In August 1950, the UN Economic and Social Council called for the appointment of an ad hoc committee to undertake “a comprehensive review of the organisation and operation of the Council and its commissions.” It was the first organizational review in the history of the United Nations and it was dominated by the major powers from the Security Council.

The review process in 1950–1952 became a concerted attempt by major Western countries to close down key UN Commissions and Committees that were focusing on social and humanitarian issues, including human rights. Whatever the merits of reducing the number of UN meetings and improving efficiency happened to be, this attempt at closures by the United States and the United Kingdom was about sanitizing the normative and political food chain of UN diplomacy in the field of human rights and anti-discrimination. It thereby represented a battle over the type of international organization that the UN should be. Should it focus solely on security politics and technically oriented economic development or should it also include various dimensions of “the social” and human rights?

This came less than two and a half years after the adoption of the 1948 Universal Declaration on Human Rights but it revealed Western scepticism towards the international human rights project—and its core elements of universality and tackling discrimination. The United Kingdom was willing to do away with or severely restrain the project by closing down the UN structures underpinning the human rights work, including the Commission on Human Rights, the Commission on the Status of Women and the Sub-Commission on the Prevention of Discrimination and the Protection of Minorities.¹⁴ It was political smothering under the label of “organizational efficiency review.”

¹³ E/CN.4/Sub.2/40/Rev.1, 43.

¹⁴ E/AC.34/SR.6: Mr. Corley Smith (United Kingdom), Ad Hoc Committee on the Organization and Operation of the Council and its Commissions, 6th meeting, 12 April 1951, 8.

The United Kingdom and the United States initially dominated the proceedings—with only the Soviet Union opposing the attack on the anti-discrimination work (propaganda reasons being an important incentive)—and the two Western powers largely had their way as the discussion moved initially from a small working group to other UN structures under the ECOSOC umbrella.

Designs for managing and maintaining a colonial world order shined through as a key motive. The UK government spent a significant amount of time strategizing on how they could secure the closing down of the Sub-Commission on Prevention of Discrimination. Its aims and emphasis were simply anathema to the interests of the British Empire and the inner workings of its colonial administration.¹⁵ As a major colonial power, the United Kingdom wanted human rights law to be a graded or hierarchically applied system of rights to which people were differently entitled. The aim was most clearly explained in the minutes from a 1949 internal British Foreign Office debate:

It is our hope that we shall succeed in getting a Covenant of Human Rights drafted in such a way that we can accede to it on behalf of our colonies, i.e. in such a way as to permit the differential treatment of different population groups practiced in certain of the colonies.¹⁶

Entrenching inequality by global normative or legal design was the political aim expressed here.

It was crucial for the United Kingdom to secure that the mandate and work processes of the new international organization did not interfere with this agenda. While the UN Secretary-General proposed that education was an important method to reduce discrimination, the UK government argued that “there seems nothing further that can be done in the way of education.”¹⁷ As a statement of the world situation anno 1952, it

¹⁵ CO 537/4580: Economic and Social Council: Commission on Human Rights: Replies to Secret Circular Despatch dated 28 March 1949, British National Archives, Kew Gardens.

¹⁶ FO 371/78990: Folder, “Notes on items on the agenda for the second session of the Sub-Commission on the Prevention of Discrimination and Protection of Minorities”, Minutes by C. M. Lequesne, UK Foreign Office, 25 April 1949, British National Archives.

¹⁷ ED 157/360: Cabinet, Steering Committee on International Organizations, Working Party on Human Rights, Draft Brief on the Report of the Sub-Commission on Prevention of Discrimination and Protection of Minorities (Item 5) for the United Kingdom Representative on the Commission on Human Rights, 16 April 1952. British National Archives.

left much to be desired given the levels of illiteracy, discriminatory practices and lack of educational facilities and access hereto that was a reality in large parts of the world. The fact that the right to education soon became a pivotal element in the battle over discrimination and international normative work at the United Nations shows that many other held views diametrically opposed to what the United Kingdom expressed here.

The approach pushed by the United Kingdom and the United States with several Western backers was not sustained. The UN General Assembly—where a larger group of member states could vote—did not support the closing down of human rights bodies with the Sub-Commission on Prevention of Discrimination having been the most exposed. Members from what we today call the Global South were decisive here. Countries like Mexico, Chile, Egypt, Haiti and the Philippines were among the actors who looked upon the matter very differently. From their perspective, neither the Cold War conflict nor imperial interests meant that the UN could shirk its Charter-based responsibilities. As the Haitian delegate argued, “if work on social problems was to be put off until political problems had been solved it might never make any headway at all.”¹⁸ Earlier in the process, the Philippines had been even more explicit in their critique of the US and UK move explaining that they had:

detected an excessively pragmatic tendency in the Committee to favour those bodies, such as the Transport and Communications Commission, which fulfilled an obvious practical need, to the detriment of other bodies more concerned with political and moral problems. The real issue was: would material progress be of any benefit to the world if achieved at the expense of the fundamental human rights and liberties?¹⁹

Their position prevailed and human rights work at the United Nations survived. From 1952, “discrimination in education” became the vanguard issue. Work on discrimination in employment and occupation followed closely behind. Hence, two economic and social rights—the right to education and the right to work—were at the forefront of enabling the international community to work on civil and political rights.

¹⁸ Mr. Roy (Haiti) UN General Assembly, 6th Session, Joint Second and Third Committee, 66th meeting, 1 February 1952, 52.

¹⁹ E/AC.24/SR.94: Mr. Reyes (Philippines), ECOSOC Co-ordination Committee, 94th meeting, 12 September 1951, 6.

What happened was that in its attempt to revive itself and its field of work after its near-death experience the Sub-Commission on Prevention of Discrimination from 1952 initiated—although only after heated exchanges with the United States and the United Kingdom in opposition—a multi-year global study on discrimination in education. Almost from the outset a scenario was devised where the study would lead to the preparation of an international convention on the topic. This would become the 1960 *Convention Against Discrimination in Education*—which became a UNESCO flagship convention guiding international efforts in the education sector worldwide.

The process of drafting the report on education took place from 1953 to its eventual launch in 1957. The battle to make discrimination in education a priority for the United Nations preceded the 1954 US Supreme Court Ruling in *Brown v. Board of Education*. This ruling did interact with the UN process as the United States started to shift their positions backed by the famous Supreme Court ruling because it enabled the United States to be more forthright on the issue of discrimination. At the United Nations, the US representative Judge Philip Halpern argued that *Brown v. Board of Education* was a “pioneer decision” that “introduced a new conception of discrimination—that of psychological inequality even though the tangible or physical facilities were equal.” This emphasis on psychological inequality expanded the importance of the inequality question to this debate because it emphasized types of inequality related to mental well-being or illness, senses of self-worth, stresses and anxieties and lower life satisfaction among discriminated groups that led to much larger-scale social effects of social inequalities. This was a noteworthy public acknowledgement by Judge Halpern. After having for several years taken a defensive position out of necessity, the United States became more proactive, and Halpern argued that, for the benefit of international work, “no definition of discrimination ought to be adopted which would ‘freeze’ existing concepts. We ought to accelerate the trend in the direction of full equality of the sexes.”²⁰ This statement was quite a turnaround. It came only four years after concerted US efforts to close down this whole area of work at the United Nations. It represented a much more dynamic conceptualization of what discrimination was and how it should be addressed.

²⁰ Mr. Halpern (USA), Sub-Commission on Prevention of Discrimination and Protection of Minorities, 7th Session, 146th Meeting, 6 January 1955, 7 and 11 (E.CN.4/Sub.2/SR.146).

This apparent change in approach was positively received by other members of the Sub-Commission but scepticism was also voiced as to how much the US had changed and whether the US representative was not merely overselling the legal outcome of the US Supreme Court ruling. The Philippines representative Jose D. Ingles was most direct in voicing doubts as he “wondered [...] whether the Supreme Court’s decision mentioned by Mr. Halpern really had the significance he attributed to it.” Jose D. Ingles also explained—clearly with good insight into the nature of US Supreme Court jurisprudence—that in terms of the effect of *Brown v. Board of Education*, “its scope would have been limited to the specific facts of the case related to the segregation of a racial minority. It could not be extended to the segregation of the sexes in education.”²¹ A lot more legal work and political action was clearly required to address the inequalities wrought by discriminatory treatment across categories like race, gender and religion.

In follow-up to these debates, the US approach to the UN’s human rights work did actually evolve, and, somewhat ironically, the Sub-Commission on Prevention of Discrimination “studies on specific aspects of human rights on a world-wide basis” now turned into something of a model for the US’ designs on how to make the international human rights work go global.²² Overall, the US engagement with human rights broadly at the UN remained rather tentative, although this was accompanied by some examples of more forthright interventions such as in the aftermath of the Little Rock crisis in 1957—where attempts at racial desegregation of schools in the city of Little Rock, Arkansas, caused violent upheaval leading to a national political crisis—when the United States gave the debate on defining discrimination in international legal documents a new burst of energy in UN bodies such as at the 1958 session of the UN Commission on Human Rights. This shows that challenges to racial and political hierarchies domestically could have a ripple effect on the wider politics of inequality at the UN.

²¹ Mr. Ingles (Philippines), Sub-Commission on Prevention of Discrimination and Protection of Minorities, 7th Session, 146th Meeting, 6 January 1955, 9 (E.CN.4/Sub.2/SR.146). José D. Ingles placed his finger on what would become a long-standing debate on the legacy of *Brown v. Board of Education*. See, for example, Martha Minow, *In Brown’s Wake. Legacies of America’s Educational Landmark* (Oxford: Oxford University Press 2010).

²² AIDE-Memoire, *US Embassy in Ankara (with State Department instructions of how to approach Turkish Foreign Ministry)*, 1 March 1955. National Archives, College Park, Central Decimal Files, 1955–1959, RG/250/41/27/1 – Box 1307, folder 340.17/1–355.

Furthermore, throughout the process of the 1950s described here—which moved from resistance to reluctance to some degree of acknowledgement and acceptance of the work to prevent discrimination—the United States expressed a continued interest that this work focused also on religious rights and political rights. The Sub-Commission did accommodate the interest on religion from 1958 onwards and made this the third prioritized theme after discrimination in education and in employment. Discrimination in religious rights and practices was made subject of a systematic global study.²³ This decision had substantive merit in its own right because of widespread discrimination or oppression of members of religious groups, for example, in the Communist world—and the distinguished report produced in the process is testimony to this. This was, however, also part of the Cold War politics between the superpowers that played out at the UN. One could say that the interests of the United States were served with this development that broadened the scope of the UN's work on discrimination but it was not through a process they had determined or desired. They had declared their position when they tried to close down the human rights bodies early in the 1950s, and this weakened them subsequently as credibility was lost. Despite being the leading superpower at the UN, they did not have the stature or legitimacy to dictate the thematic work priorities of the Sub-Commission on Prevention of Discrimination. They participated as a member in the discussions and could present their arguments but it was other representatives—notably from smaller states—who most strongly influenced the UN's work in the discrimination field during this period because they were working more in line with the official mandate given.

The UN process focused on discrimination in education reached its first milestone in 1957 with the launch of the report by the Special Rapporteur, the Lebanese diplomat Charles Ammoun.²⁴ The study was comprehensive in its exploration of different forms of discrimination based on status (such as race, colour, sex, religion, etc.) and eloquent in its framing of the nascent—but not yet binding—principles of international human rights law that were being negotiated and drafted at the UN General Assembly as part of the Covenants on Human Rights. It also made effective use of

²³ E/CN.4/Sub.2/200/Rev.1: *Study of Discrimination in Religious Rights and Practices. Report by Special Rapporteur Arcot Krishnaswami*. United Nations 1960.

²⁴ E/CN.4/Sub.2/181/rev.1: *Study on Discrimination in Education. Report by Special Rapporteur Charles Ammoun*. United Nations 1957.

the rhetoric of “the universal” in an attempt to break down barriers of sovereignty and domestic jurisdiction that were used as legalistic devices to protect and defend apartheid in South Africa, discrimination and oppression in colonial territories as well as religious discrimination behind the Iron Curtain. Ammoun’s study did not merely set an early precedent for UN global fact-finding studies on human rights issues. It also inspired the drafting of what became the *Convention Against Discrimination in Education* adopted by United Nations Educational, Scientific and Cultural Organization (UNESCO) in 1960. Its achievements also went beyond this. The *Discrimination in Education* study was only one of the outcomes of the larger political battle in the early 1950s over whether discrimination and equal treatment should be an active mandate of the post-1945 international organization. The success in maintaining this mandate for human rights and non-discrimination work influenced the political ecosystem of the United Nations and thereby international diplomacy. Another outcome was a major convention adopted under the International Labour Organization (ILO). ILO rapidly took the lead from another initiative by the Sub-Commission on Prevention of Discrimination, and this meant that they already in 1958 secured adoption of the *Convention concerning Discrimination in Respect of Employment and Occupation* (no. 111).

The work on discrimination was the most active and innovative part of the UN human rights work in the 1950s after this field of UN diplomacy had survived its near-death experience in the early 1950s. The process had pushed discrimination higher on the international agenda. This laid important groundwork for the expansion of international human rights work in the 1960s and 1970s where the legal breakthrough for human rights occurred through the adoption of a number of international conventions. In this process, prohibited grounds of discrimination such as race and women became covered by international treaties. This was international inequality politics by another name, and it had managed to shape global political and institutional discourses.

INEQUALITY AND THE UNITED NATIONS WORLD SOCIAL SITUATION REPORTS, 1948–1957

The discrimination story represents only one trend in the relationship between inequality and international organization. There were also other formative political outcomes with long-term effects during this era.

In 1952, the UN published its first Report on the World Social Situation—a comprehensive 180-page study with a broad thematic and geographic coverage. This report series became the UN’s main analytical vehicle for internationalizing the study of standards of living—a question that was featured prominently in Article 55 of the UN Charter.²⁵ The report was issued by the Secretary-General and had been prepared with support from many of the UN agencies.

The original proposal for the United Nations preparing an analysis of the World Social Situation was made by Lebanon at the UN General Assembly on 7 December 1948. Lebanon requested that the UN should produce a global report on the “world social and cultural situation” focusing in particular on the “basic determining factors (standard of living, public health, housing, leisure, social security, elementary, secondary and technical education, higher studies etc., etc.).”²⁶ The categories listed here matched very well the social rights included in the Universal Declaration of Human Rights, which was being finalized and adopted by the UN General Assembly during the same December days. This was no coincidence because the Universal Declaration helped consolidate an international understanding of what “the social” meant. The first step was to explore the feasibility of such a study. The task was given by the UN Economic and Social Council to the UN Secretariat, and they viewed the proposed report as a feasible undertaking and recommended that there should be an “emphasis upon the *basic needs* that merit international attention.”²⁷

²⁵ See Article 55, which reads (my italics): “With a view to the creation of conditions of stability and well-being which are necessary for peaceful and friendly relations among nations based on respect for the principle of equal rights and self-determination of peoples, the United Nations shall promote:

- (a) *higher standards of living*, full employment, and conditions of economic and social progress and development;
- (b) solutions of international economic, social, health, and related problems; and international cultural and educational cooperation; and
- (c) *universal respect for, and observance of, human rights and fundamental freedoms for all without distinction as to race, sex, language, or religion.*”

²⁶ The Lebanese proposal of 7 December 1948 is quoted in: E/CN.5/208: The Possibility of Drafting a General Report on the World Social and Cultural Situation, 22 March 1950, Memorandum by the Secretariat.

²⁷ E/CN.5/208, 3. My italics. It is worth noting the early use—in 1950 and again in the actual 1952 report—of the “basic needs” terminology. It was a concept that was turned into

One striking feature in the 1952 report is that inequality was an important lens by which the United Nations looked at the global social condition. The report highlighted economic inequality within and between countries, inequalities in income distribution between people as well as global and national inequalities in food and nutrition, mortality rates, inequalities in access to and quality of primary and secondary education, in land ownership, in the impact of taxation (progressive vs. regressive). However, in 1957 when the UN published its second “Report on the World Social Situation,” the word “inequality” featured only once and that was in a reference to the 1952 report.²⁸ Inequality had literally disappeared as an analytical or descriptive concept in the 1957 report. The rationale behind this shift deserves to be explored because it may reveal parts of the explanation as to why global inequality fell off the international agenda.

The 1952 report did not explicitly use the term “global inequality,” which is frequently used today, but the language that most often constitutes our contemporary meaning to describe inequality certainly was, namely, the comparison “within and between countries”²⁹:

The gap between the rich and the poor countries in general levels of production and consumption is wider than before the Second World War. From the point of view of the distribution within countries of the goods produced, a certain levelling process appears to be under way in countries with relatively high and expanding national incomes: the poorer groups are receiving a larger share of the total income; wage differentials between occupational

a major policy approach to international development in the 1970s closely linked to the humanitarian and socio-economic crisis that many Third World states faced in the aftermath of decolonization. It is therefore normally assigned to this later decade but clearly had earlier roots in international political discourse. On basic needs and human rights, see chapter 5 in Samuel Moyn, *Not Enough. Human Rights in an Unequal World* (Harvard University Press, 2018). See also Julia Dehm’s contribution, in Chap. 7, in this volume.

²⁸ The UN World Social Situation reports have continued being published to this day. They are produced by the UN Department of Social and Economic Affairs. They have in recent years made inequality a major theme of their study with the 2005 report “The Inequality Predicament”, and the 2013 report “Inequality Matters.” For more see: <https://www.un.org/development/desa/dspd/report-on-the-world-social-situation-rwss-social-policy-and-development-division/2005-4.html>.

²⁹ For recent works on global economic inequality that has this as the core focus, see, for example, Francois Bourguignon, *The Globalization of Inequality* (Princeton University Press, 2015); Branko Milanovic, *Global Inequality: A New Approach for the Age of Globalization* (Cambridge, MA: Harvard University Press, 2016).

groups are narrowing; progressive labour legislation and systems of social security are defining minimum levels of welfare below which society does not permit individual members to sink—and these levels are being progressively redefined upwards.³⁰

This highlighted the diverging trends of a narrowing of inequality in the more developed economies while they further expanded in the so-called underdeveloped economies:

These chapters indicate that more than half the population of the world is still living at levels which deny them a reasonable freedom from preventable disease; a diet adequate to physical well-being; a dwelling that meets basic human needs; the education necessary for improvements and development; and conditions of work that are technically efficient, economically rewarding and socially satisfactory.³¹

This acknowledgement served as a baseline for the whole report that was willing to document vast inequalities in economic terms and across different social sectors. One of the reasons for this was an emphasis on the broad scope of social issues. The report served as counterpoint to the more narrow focus of the parallel “World Economic Report”³² prepared by the UN Department for Economic and Social Affairs, and it meant that a light on inequality was cast across a wider array of social sectors. The chapter on education benefited in particular from this willingness and paid special attention to “inequalities within countries.” The information here was disaggregated by different categories, thereby highlighting various forms of inequality:

In countries in which separate schools are provided for boys and girls, for urban and rural children, or for members of different ethnic groups, inequalities are measurable in terms of coverage, duration and quality of schooling offered, and of public financial support of the schools of the different groups. Real inequalities, however, are just as likely to exist where the school

³⁰ E/CN.5/267/Rev.1: *Preliminary Report on the World Social Situation*. UN Department of Social and Economic Affairs, New York, 1952.

³¹ Ibid., 4.

³² See, for example, E/2193/Rv.1: *World Economic Report 1950–1951*. UN Department of Social and Economic Affairs, New York, 1952. The first of these reports appeared in 1947.

system is theoretically uniform and children are not systematically segregated.³³

This broad approach to the question of global inequality—supported by extensive use of statistical data—invariably led to methodological reflections on how best to measure global- and national-level inequality. Was there potentially a “single, over-all measure” that in quantitative terms could reflect what was meant when speaking about high or low standards of living? Was the development of a weighted index for such a purpose a feasible approach? If so, what factors could be weighted on an international scale and how in order to have a “general measure of standards of living”? These were the questions that the UN Secretariat was grappling with at this point while realizing that limited international work existed to guide such efforts. There was an awareness that comparability was a complex task given the, at times, very crude data available. Nevertheless, there was also an awareness of some emerging standards of measurement that seemed not to serve the purposes very well. The UN report made it clear that if such measures as “per capita income” that would later evolve into measuring standards such as GDP per capita became a determining measure then analysis of actual patterns of inequality would suffer: “Per capita income, being an average obtained by dividing the national income by the total population, does not take into account of the great disparity that may exist in the distribution of income.”³⁴

The report showed a willingness to lay out these disparities and make the information available for an international audience despite the complexities of doing this on a global scale with solid data. The report did, however, point towards a research and policy agenda that could be expanded upon further in future reports. Only, this never came to pass. When the second “Report on the World Social Situation” was published in 1957, inequality had all but disappeared from view. One cannot but wonder why.

The 1952 report had been well received by member states. A number of states delivered statements that were in line with the report’s focus. The

³³ E/CN.5/267/Rev.1: *Preliminary Report on the World Social Situation*. UN Department of Social and Economic Affairs, New York, 1952, 70–71.

³⁴ E/CN.5/267/Rev.1, 130. On the evolution of GDP as a measurement, see Philipp Lepenies’ chapter “Products before People: How Inequality Was Sidelined by Gross National Product” in this volume.

United States highlighted how their country had undergone a levelling-up process that had lifted the incomes of millions of families and, according to the data they presented on themselves, had seen the share of national income among the top 5% income group decline from 34% in 1929 to 18% in 1946 which was maintained in the years that followed. The US statement on the report in the ECOSOC debate celebrated the strides made towards greater equality in the standard of living as a significant political achievement.³⁵ There was no critique expressed of the inequality focus in the report. Actually, Lebanon wanted the report to go further believing that there was not sufficient attention awarded to “the root causes of certain social conditions.”³⁶ Pakistan argued that the general poverty that was described in the report could be ascribed to “two real causes: over-population and the inability of the countries concerned to plan their economies during the period of colonialism.” These were factors that would go on to receive widespread attention in UN debates but they did not by any necessity challenge the focus on inequality as they could very well stimulate such a focus.³⁷ The initial reception by the member states does not offer a clue as to why inequality would subsequently disappear from focus.

The 1957 report was equally comprehensive compared to the previous report from 1952. It covered a similar range of topics under the label of the “social,” namely world population trends, health, food and nutrition, education and work and employment conditions. It was only housing that was not separately featured compared to the 1952 report. Instead, the 1957 report placed special emphasis on urbanization in economically underdeveloped areas with special focus on sub-Saharan Africa and Latin America. Housing issues were addressed in these chapters. Nothing here indicates why inequality disappeared from focus.

The likely explanation behind this outcome therefore seems to be the combination of a subtle change in the global perspective as well as the methodological thinking informing the work on the second World Social

³⁵ Mr. Kotschnig (USA), ECOSOC, 14th Session, 641st Meeting, 14 July 1952, 550.

³⁶ Mr. Azkoul (Lebanon), ECOSOC, 14th Session, 646th Meeting, 16 July 1952, 590.

³⁷ For a country-focused study featuring the question of overpopulation and domestic political responses to the problem of weak colonial planning capacity that also involves a focus on economic inequality, see Steven L. B. Jensen, “‘From this era of passionate self-discovery’: Norman Manley, Human Rights, and the End of Colonial Rule in Jamaica”, in *Decolonization, Self-Determination and the Birth of Global Human Rights Politics*, edited by Dirk Moses, Marco Duranti and Roland Burke (Cambridge University Press, forthcoming).

Situation report. From the outset, the 1957 report declared that the emphasis was on conditions in the “economically under-developed countries.”³⁸ This meant that any relationship between the developed and underdeveloped world influencing inequality would be downplayed. This could have been a useful lens by which to address global inequality but by shifting the focus to one side of that equation that larger connection evaporated.³⁹ There were legitimate questions to be asked about the availability or representativeness of statistical data but the report went very far in avoiding addressing issues that had been studied in the previous report. The language also became much more circumscribed by substituting the word inequality with the much vaguer term “unevenness” to describe social realities:

The varying increases in national income in the less developed countries have been accompanied, in certain instances at least, by a growing unevenness in the distribution of this income within the population, and by a growing dissatisfaction on the part of groups that have not benefited as much from the rising incomes as they have suffered from the rising prices.⁴⁰

The lack of attention to the North-South relation and the rhetorical shift to avoid the direct focus on inequality was supported by a shift in narrative. The strategy here seemed to be moving towards, if not a progress narrative, then at least an improvement narrative. When a critical finding was presented, it was tempered by an example of improvement within the same sentence even if the examples appeared unrelated, “if the gap in per capita national income has widened, the gap in mortality rates has narrowed.”⁴¹ This style of writing was not coincidental but represented rhetorical strategies and choices on how social and economic realities were to be presented before an international audience such as the member states of the United Nations. It was not conspiratorial but reflected more an adjustment to new methodological and policy-related thinking. The consequence, however, was that this led to knowledge about global and

³⁸ E/CN.5/2324/Rev.1: *Report on the World Social Situation*. UN Department of Social and Economic Affairs, New York, 1957, vii.

³⁹ For a conceptual exploration of what this entails, see Philipp H. Lepenies, “An Inquiry into the Roots of the Modern Concept of Development”, *Contributions to the History of Concepts* 4 (2008): 202–225.

⁴⁰ E/CN.5/2324/Rev.1, 1.

⁴¹ E/CN.5/2324/Rev.1, 2.

national inequality being unproduced. The improvement narrative could also be applied to provide generic information on positive actions by governments without providing critical analysis of the actual state of affairs. One illustrative example was when the report referenced Special Rapporteur Charles Ammoun's study on "Discrimination in Education":

Moreover, there has been a remarkable recent increase in legislative and administrative measures intended to eliminate discrimination; very few countries now cling to an openly discriminatory policy. Such measures will no doubt have an important long-range effect, but there is at present little quantitative evidence indicating whether, over the past four or five years, the unfavourably placed groups have come significantly closer to equality.⁴²

The 1952 report had had "inequalities within countries" as a major heading in its study of the education sector. Now, it was an issue that was essentially left unaddressed.

The absence of inequality was also due to a shift in methodological thinking. The 1952 report was the first general attempt by the UN to do a global analysis of standards of living. This was not an insignificant achievement as Article 55 in the UN Charter had, as mentioned earlier, stipulated that the United Nations should promote "higher standards of living." It was therefore an area of work that was related to Charter-based responsibilities. In order to solidify these efforts, a committee of 30 international experts gathered over three weeks in June 1953 in the UN headquarters in New York to develop an international definition for the "measurement of standards and levels of living." Their thinking on these matters was revealing and offers an insight into the scientific thinking of this era.

The experts naturally turned the discussion into a technical exercise and in this context reflected—as could be expected—on questions such as accuracy, representativeness and comparability of the data and on the indicators and methods of measurement. The experts also discussed the problem of value judgements when it came to setting standards and norms. This was a matter on which they showed great caution and indeed hesitation. They were willing to accept that an assumption stipulating that "longevity and literacy are desirable" were legitimate value judgements. However, they were adamant that one had to refrain from making any

⁴² E/CN.5/2324/Rev.1, 65.

judgements when it came to “‘minimum’, ‘decency’, ‘adequacy’ and ‘comfort’ standards (or norms).”⁴³ Using these concepts were seen to entail value judgements that were not legitimate in an analytical or scientific sense. The problem was that the experts seemed to be blind to their own inherent value judgements and this could—although unacknowledged—make the issue of inequality disappear off the radar. It is fair to say that the group of experts were operating within the emerging paradigm for development policy that focused on modernization theory and hierarchical concepts of societal stages that could deem certain populations and territories as being essentially outside modernity.

The experts were rather obsessed with the differences between the “less-developed” and the “economically more-developed” countries but not because of the economic differences which would have allowed inequality to be an analytical factor. Instead, the experts were operating within a hierarchical and cultural relativist frame that also focused on culture, values and non-material factors to understand standards or levels of living around the world. They saw category differences between the units of analysis instead of viewing the task as a global analysis. The hierarchical understanding was expressed in evolutionary notions of societies and that it was a requirement to analyse:

the transformation of social structures and values of traditional society by the progressive and rapid introduction of social and economic systems resembling those of the economically more-developed countries.

The experts deemed this a necessity “for a proper analysis of levels of living; that the stage or degree of transformation be known.”⁴⁴ Actually, it was not necessary to know this “stage or degree of transformation.” This world-view and value judgement blurred the analysis of actual social conditions and, instead, helped instil a certain fiction about the nature and

⁴³ E/CN.3/179: *Report on International Definition and Measurement of Standards and Levels of Living. Report of a Committee of Experts convened by the Secretary-General of the United Nations jointly with the International Labour Office and the United Nations Educational, Scientific and Cultural Organization*. United Nations, 1954, 3. For more on how this debate on minimum standards later played out related to economic and social rights, see Chap. 7, by Julia Dehm, in this volume.

⁴⁴ E/CN.3/179, 2.

complexities of the development process.⁴⁵ This world-view also had practical consequences for how the analysis of, for example, global inequality could be conducted. The experts argued for instance that:

Income figures, moreover—at least in their present state—badly distort comparisons of relatively advanced countries and the less-developed countries whose economies operate primarily on a non-monetary or subsistence basis.⁴⁶

There is, to be fair, a valid methodological consideration captured here. However, the international experts went further. They turned the existence of inequality from being a relevant factor to describe and analyse into a technical issue where they determined that there was a lack of comparability and hence no basis for such an analysis. With the emphasis on the latter, the inequality issue dissolved into thin air. Inequality could both be a descriptive matter and a political issue. The UN process was maybe not keen on the latter but the consequence was that the former fully legitimate issue was thrown out the window. The science of measuring and using indicators became itself a barrier for analysing global inequality. It was almost like a statistical Catch 22.

The report by the Committee of Experts had a significant influence on the 1957 report. They provided definitions, methods and indicators for measurement that were hard to ignore—at least, in terms of the underlying thinking for such a prominent study. As mentioned, the 1957 report was much more cautious and circumspect in its language and conclusions. Yes, there were real and significant problems with the availability and the quality of data but there were other subtler factors that led the move away from the issue of inequality to feature in the UN reports on the World Social Situation. The change was barely noted in the ECOSOC debate on the 1957 report, although the Polish delegate did express regret that

⁴⁵ There are echoes here of what would receive much greater prominence in W.W. Rostow's book from 1960 *The Stages of Economic Growth*. A contemporary critique of Rostow's book from a prominent economics professor who was deeply involved in debates on development, for instance as advisor to the Jamaican government—the Caribbean being central to a refined but different discourse on development economics—is worth highlighting: "All this would not be serious if this sort of theorising did not encourage complacency in the wrong quarters. ... [Professor Rostow] has in my opinion, rendered great disservice to the cause he so obviously and sincerely cherishes." Thomas Balogh, "The Changing Fashions of Economics", *New Statesman* LIX, no. 1520 (1960): 641.

⁴⁶ E/CN.3/179, 39.

the authors of the Report had not dealt with the question of social security or gone further into such questions as medical services, free education and discrimination in all its forms. Some information on the distribution of the national income in different countries would also have enhanced the report's value.⁴⁷

This was almost certainly a request to have information provided on both economic inequality and wider social inequalities due to the reference about discrimination and distribution of incomes. In their response to the report, the United States spoke to the inequality issue through the lens of their domestic efforts to ensure levelling up and provided an ideological twist in doing so:

Equally important, real incomes had been distributed more evenly, and the peaceful revolution in levelling up had continued—a movement which in a private enterprise economy was the reverse of what had been contemplated by Karl Marx.⁴⁸

This framing was clearly intended for an international audience at the United Nations that were facing increasing Cold War divisions but the US statement also addressed more broadly the importance of progressive taxation and investment in creating opportunities for people:

The sharply progressive income and estate taxes had contributed to that levelling up process but the wider diffusion of education, training and work opportunities among all people, which had served to raise and equalize their productivity and consequently their incomes, had been vastly more important.⁴⁹

There was nothing that directly indicated that member states were unwilling to face information on global or national inequality, although the colonial powers were likely to have no regrets about the shift in focus. The attention of a number of member states was shifting towards questions such as population growth and production when it came to the debate

⁴⁷ Mr. Meller-Conrad (Poland), ECOSOC, 24th Session, 987th meeting, 19 July 1957, 142.

⁴⁸ Mr. Jacoby (USA), ECOSOC, 24th Session, 985th meeting, 17 July 1957, 121.

⁴⁹ Mr. Jacoby (USA), ECOSOC, 24th Session, 985th meeting, 17 July, 121–122. See Chap. 4, by Philipp Lepenies, in this volume, specifically on Simon Kuznets and national income measurements.

about securing higher standards of living. However, it is not clear that it was the states that had manoeuvred for the disappearance of the inequality question. Nevertheless, it was a significant outcome of how the UN's approach to assessing the world social situation evolved during the 1950s.

CONCLUSION

The politics of inequality is an integral part of UN processes. This may not be a surprising revelation but developing a greater understanding of its manifold iterations and the modalities of how it appears in analytical, programmatic and policy work at the United Nations remains a relevant undertaking. It will help further our understanding of the dynamics of multilateralism and how the processes in this domain interacts with the world outside at global, national and local levels. The politics of inequality does not operate isolated or insulated from larger processes. There was a nexus between inequality and international organization from the outset, and the fact is that inequality would continue to have an uneasy existence at the United Nations over the following decades. The two examples presented here on the contestations over discrimination as a UN mandate and the disappearance of the term "inequality" in the UN's global studies on standards of living have offered a broad lens on how the question of global inequality—both economic and social—was relevant for and shaped United Nations work in its early years. The debate was never just on economic inequality—other forms were also addressed. The point to make is also that discrimination—sometimes also called status inequality—and economic inequality were not separate spheres but were often deeply interwoven in debates and as global social realities.

During the 1960s, racial discrimination would become a central issue with Apartheid South Africa and the colonial territories in Southern Africa embodying this divisive issue in international politics. It would fracture the new United Nations that during these years moved towards operating in a post-colonial world. Inequality also featured prominently in the 1970s debates on the New International Economic Order where the notion of "widening gaps" in the world community featured strongly (the concept of "widening gaps" had featured regularly in the first report on the World Social Situation in the 1950s).

It was deeply contested how much of the "politics of inequality" that the international community was willing to face at the United Nations. The ways that social and economic inequalities were addressed or ignored

indicated to what extent the international community were willing to face a whole range of global policy issues and social realities around the world. These stories help reminding us that international organizations are spaces of inequality and that they therefore deserve to be integrated into the histories of global inequality not just as settings for international politics but also as shapers of the political trajectories that determine the various forms of global inequality that the world faces.



“A Pragmatic Compromise between the Ideal and the Realistic”: Debates over Human Rights, Global Distributive Justice and Minimum Core Obligations in the 1980s

Julia Dehm

INTRODUCTION

In recent years, there has been a renewed debate about the relationship between human rights and redistributive justice interrogating the role human rights have played or could play in the production or amelioration of economic inequality.¹ Whilst some scholars and practitioners have argued that extreme economic inequality should be recognized as a human

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¹ See particularly P. Alston, *Report of the Special Rapporteur on extreme poverty and human rights*, Philip Alston, A/HRC/29/31 (27 May 2015); R. Balakrishnan, J. Heintz and D. Elson. *Rethinking Economic Policy for Social Justice: The Radical Potential of Human Rights* (Abingdon: Routledge, 2016); S. Moyn, *Not Enough: Human Rights in an Unequal World* (Harvard University Press, 2017).

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rights issue, others insist that human rights frameworks, due to their focus on minimal provision rather than distributive concerns, are inherently unable to contest inequalities and promote global economic justice. However, both these claims rely in part on the assumption that our conceptualizations of human rights and the form they take are fixed, and not themselves a contingent product of historical struggle. This chapter provides a genealogical account of how, during the 1980s, a specific way of thinking about economic and social rights and the means by which they could be realized focused on the immediate duty to ensure “minimum core obligations” and, in doing so, sidelined a more critical engagement with questions about the necessary international economic and social conditions for rights realization.² In doing so, this chapter traces the ways in which a focus on basic provision rather than distributive justice was consolidated in economic and social rights frameworks. It seeks to understand the debates, motivations and intentions amongst human rights practitioners and activists—the necessary doctrinal and conceptual developments and the pragmatic and strategic choices made—as well as the background of profound global changes against which these debates occurred.

THE RISE OF “GLOBAL INEQUALITY”

The 1970s saw an intense period of contestation over economic inequalities between countries of the global South and the global North, and the underlying relations of neocolonialism, dependency and underdevelopment. Concurrently, increased concerns were also being raised about growing inequalities *within* countries of the global South. However, by the early 1980s, the Third World demand for a New International Economic Order (NIEO) had been defeated,³ and the World Bank’s brief focus on “growth with redistribution” had shifted towards an aggressive

²For reflections on genealogy as a critical method of human rights histories, see Ben Golder, “Contemporary Legal Genealogies” in Justin Desautels-Stein and Christopher Tomlins (eds.) *Searching for Contemporary Legal Thought* (Cambridge: Cambridge University Press, 2017).

³On the defeat of the NIEO, see John Linarelli, Margot Salomon, and M. Sornarajah, *The Misery of International Law: Confrontations with Injustice in the Global Economy* (Oxford: Oxford University Press, 2018), Chapter 3; Christopher R. W. Dietrich, *Oil Revolution: Anticolonial Elites, Sovereign Rights, the Economic Culture of Decolonization* (Cambridge: Cambridge University Press, 2017), Conclusion.

promotion of structural adjustment policies.⁴ During what is now widely seen as a “lost decade” for development, the debt crisis, unequal terms of trade and declining commodity prices increased the gap between the North and the South and imposed structural adjustment policies that deepened inequalities within countries in the global South. This was a period in which the political economy of nation states and the role of the state were radically transformed, as neoliberal policy prescriptions were implemented and markets were globalized.⁵ Whilst grassroots movements mobilized and organized against these changes,⁶ at an institutional level, the United Nations’ (UN) bodies generally accepted these reforms as necessary, and the main critique articulated by UN Children’s Fund (UNICEF) calling for “adjustment with a human face” did not contest the need for broad sweeping economic transformation or the desirability of more open globalized markets, but simply sought to humanize this process.⁷

In the 1980s, as new data became available, it was possible for the first time to quantify a different “level” of inequality, namely that of inequalities globally among individuals of the world (rather than earlier quantifications of inequalities among or within countries). This relatively new concept of “global inequality”, as Branko Milanovic writes, “can be formally considered as the sum of all national inequalities plus the sum of all gaps in mean incomes among countries”.⁸ Moreover, as Milanovic points out, it is

⁴For an overview of World Bank policy over this period, see Patrick Allan Sharma, *Robert McNamara’s Other War: The World Bank and International Development* (Philadelphia: University of Pennsylvania Press, 2017).

⁵Susan Marks, ‘Four Human Rights Myths’ in David Kinley, Wojciech Sadurski and Kevin Walton (eds.) *Human Rights: Old Problems, New Possibilities* (Cheltenham: Edward Elgar Publishing, 2014); see also N. Klein, *The Shock Doctrine: The Rise of Disaster Capitalism* (Toronto: Random House of Canada, 2007).

⁶See, for example, Silvia Federici, Constantine George Caffentzis and Ousseina Alidou, *A Thousand Flowers: Social Struggles Against Structural Adjustment in African Universities* (Trenton: Africa World Press, 2000).

⁷See Giovanni Andrea Cornia, Frances Stewart and Richard Jolly, *Adjustment with a Human Face* (Oxford: Clarendon Press, 1987); Richard Jolly, “Adjustment with a Human Face” in R. Jolly (ed.) *Milestones and Turning Points in Development Thinking* (London: Palgrave Macmillan, 2012); Richard Jolly, ‘Adjustment with a Human Face: A UNICEF Record and Perspective on the 1980s’, *World Development* 19, no. 12 (1991): 1807–1821.

⁸Branko Milanovic, *Global Inequality: A New Approach for the Age of Globalization* (Cambridge, MA: Harvard University Press, 2016), 3.

only with the rise of globalization, with closer and more numerous contacts among peoples of different nations and continents, as well as with the timid emergence of something that may be considered “the incipient institutions of global governance,” that it began to make sense to compare our incomes with the incomes of faraway peoples—not only as an average against another average but as one individual versus another.⁹

Yet, even as increased economic globalization tied the economic fortunes of citizens of the world closer together and more global norms of economic and security governance were developed, there was—and remains—no real institutional basis for making claims for global redistribution. Moreover, if “global inequality” represented a new configuration of distributive injustice, there were limited justice vocabularies and frameworks available that spoke to the need for distribution on a global scale. Whilst some within the field of academic philosophy, notably Charles Beitz, sought to scale up a Rawlsian “difference principle” of just distribution from the national to the global level,¹⁰ these arguments were attacked by those who insisted that “the full standards of justice ... apply only within the boundaries of a sovereign state, however arbitrary those boundaries may be” and that such international standards “do not merit the full name of justice”.¹¹ Moreover, these philosophical discussions gained limited traction outside of the academy: within advocacy circles, global injustices were decried more through the idiom of “human rights” than that of “global justice”.

Historians have described the late 1970s as a “breakthrough” period for human rights. The language of human rights gained a visibility it did not previously have as it was increasingly mobilized by transnational advocacy movements to advance justice claims.¹² Nonetheless, there is a

⁹ Branko Milanovic, ‘Essay III: Unequal World: Inequality Among Citizens of the World’ in *The Haves and the Have-Nots: A Brief and Idiosyncratic History of the World* (New York: Basic Books, 2010), 150.

¹⁰ Charles Beitz “Justice and International Relations,” *Philosophy and Public Affairs* 4, no. 4 (Summer 1975): 360–389; Charles Beitz, *Political Theory and International Relations* (Princeton: Princeton University Press, 1979); For a discussion, see Samuel Moyn, “The Political Origins of Global Justice” in Joel Isaac, James T. Kloppenberg, Michael O’Brien, and Jennifer Ratner-Rosenhagen (eds.) *The Worlds of American Intellectual History* (Oxford: Oxford University Press, 2016).

¹¹ Thomas Nagel, “The Problem of Global Justice” *Philosophy & Public Affairs* 33, no. 2 (2005): 121–122.

¹² Samuel Moyn, *The Last Utopia: Human Rights in History* (Cambridge, MA: Harvard University Press, 2012); J. Eckel and S. Moyn (eds.) *The Breakthrough: Human Rights in the*

longer history of how activists and practitioners from the global South had, throughout the decolonization struggles, taken up, mobilized and used human rights frameworks and discourses to advance their concerns.¹³ Moreover, during the 1970s, as I argue in more detail elsewhere,¹⁴ alongside Third World demands for a New International Economic Order¹⁵ there was also a Third World attempt to reorientate human rights,¹⁶ focused on promoting a more “structural” approach to human rights. This approach sought to “remove structural obstacles that lie at the root of many an injustice” rather than simply deal with symptoms or particular violations and thereby emphasized a “preventative rather than curative strategy for improving the enjoyment of human rights”.¹⁷ A 1975 report on the realization of economic and social rights prepared by Manouchehr Ganji examined how inequalities within and between countries posed challenges to the realization of human rights, and thus recommended action to prevent the further increase in inequalities given that “the more egalitarian its income and wealth distribution the better a nation copes with the guarantee of at least minimum standards of economic, social and cultural rights”.¹⁸ Subsequently, a 1977 General Assembly Resolution affirmed that “the realization of the New International Economic Order

1970s (Philadelphia: University of Pennsylvania Press, 2014).

¹³ Steven L.B. Jensen, *The Making of International Human Rights: The 1960s, Decolonization, and the Reconstruction of Global Values* (Cambridge: Cambridge University Press, 2016).

¹⁴ Julia Dehm, “Highlighting Inequalities in the Histories of Human Rights: Contestations over Justice, Needs and Rights in the 1970s” *Leiden Journal of International Law* 31, no. 4 (2018): 871–895.

¹⁵ UN General Assembly, Resolution 3201, Declaration on the Establishment of a New International Economic Order, A/RES/S-6/3201 (May 1, 1974); UN General Assembly, Resolution 3202(S-VI), Programme of Action on the Establishment of a New International Economic Order, A/RES/S-6/3203 (May 1, 1974); UN General Assembly, Resolution 3281 (XXIX), Charter of Economic Rights and Duties of States, A/RES/29/3281 (Dec. 12, 1974); for an overview, see N. Gilman, ‘The New International Economic Order: A Reintroduction’ *Humanity: An International Journal of Human Rights, Humanitarianism, and Development* 6, no. 1 (2015): 1, and M. Bedjaoui, *Towards a New International Economic Order* (Teaneck: Holmes & Meier, 1980).

¹⁶ T. Gonzales, ‘The Political Sources of Procedural Debates in the United Nations: Structural Impediments to Implementation of Human Rights’ *International Law and Politics* 13 (1981): 471, fn 192.

¹⁷ P. Alston, *Development and the Rule of Law: Prevention versus Cure as a Human Rights Strategy* (Geneva: International Commission of Jurists, 1981): 9.

¹⁸ Manouchehr Ganji, *The Realization of Economic, Social and Cultural Rights: Problems, Policies, Progress, study prepared by Manouchehr Ganji*, E/CN.4/1108/Rev.1 (1975), para 78.

is an essential element for the effective promotion of human rights and fundamental freedoms”.¹⁹

However, by the beginning of the 1990s, a different approach to the realization of economic and social rights (ESRs) had gained political traction that was focused on an obligation to ensure the minimum level of each of the rights essential to the *International Covenant on Economic, Social and Cultural Rights* (ICESCR). In its General Comment 3 on “The Nature of State Obligations”, the Committee on Economic, Social and Cultural Rights (CESCR) articulated “that a minimum core obligation to ensure the satisfaction of, at the very least, minimum essential levels of each of the rights is incumbent upon every State party”.²⁰ It is an ambiguous notion whose boundaries and utility has been extensively debated,²¹ with some commentators critiquing the extremely limited nature of this concept,²² while others praise the fact that it provides a common standard for ESR realization, that redresses the “inherent relativism” in the requirement of “progressive realization” and thus is able to “advance a baseline of socioeconomic protection across varied economic policies and vastly different levels of available resources”.²³ In reflecting on the achievements of the concept, Katherine Young highlights how it reflected an “acceptable moderation” of broader debates around global redistribution. She writes:

for commentators wishing to introduce a manageable legal impetus into global redistributive debates, the minimalist connotations of the minimum core concept signal an acceptable moderation. Advocates from the development field suggested in the 1980s that minimum standards would provide

¹⁹ UN General Assembly, Resolution 32/130, Alternative approaches and ways and means within the UN system for improving the effective enjoyment of human rights and fundamental freedoms, A/RES/32/130 (Dec. 16, 1977), para 1(f).

²⁰ UN Committee on Economic, Social and Cultural Rights, General Comment 3: The Nature of State Parties’ Obligations, E/1991/23 (Dec. 14, 1990).

²¹ See, in particular, Katherine Young, “The Minimum Core of Economic and Social Rights: A Concept in Search of Content” *Yale Journal of International Law* 33 (2008): 113; Joshua Cohen, “Minimalism about Human Rights: The Most We Can Hope For?” *The Journal of Political Philosophy* 12, no. 2 (2004): 190–213. See also John Tasioulas, *Minimum Core Obligations: Human Rights in the Here and Now* (Washington, DC: World Bank, 2017).

²² Samuel Moyn, “Human Rights and the Crisis of Liberalism” in Stephen Hopgood et al. (eds.) *Human Rights Futures* (Cambridge: Cambridge University Press, 2017), 262.

²³ Katherine G. Young, *Constituting Economic and Social Rights* (Oxford: Oxford University Press, 2012), 72.

the basis for a more progressive, if restrained, redistribution of resources rather than more extensive efforts, placating the self-interest of developed states. These commentators also sought to delimit economic and social entitlements to their barest forms in order to avoid the disruption of production incentives, which could work against their practical success.²⁴

The next sections trace in more detail the debates of ESR advocates over the course of the 1980s in order to better understand how the concept of “minimum core obligations” reflected a pragmatic engagement with, and moderation of, broader imperatives of global inequality and redistribution. In doing so, I seek to highlight some of the strategic choices made by ESR advocates as well as the impetus and context of those choices, in order to better understand how the focus on imperatives of sufficiency rather than equality in human rights was consolidated.

BACKGROUND TO BASIC NEEDS, RIGHTS AND A MINIMUM CORE

In order to understand the motivations and intentions of ESR advocates during the 1980s in debates over the realization of rights, it is necessary to have a sense of both broader contemporaneous historical transformations and the arguments these advocates were responding to. Whilst many recognized that ESRs might be “desirable goals, development challenges, social justice concerns”, ESR advocates faced considerable barriers to having claims to social provisions recognized as “rights”.²⁵ During the Carter administration, there was brief optimism that the US would promote a new socio-economic emphasis in its human rights policy and that there would be a greater institutional take-up of these concerns especially following US Secretary of State Cyrus R. Vance’s April 1977 speech that suggested American foreign policy might promote vital needs of subsistence.²⁶ However, shortly thereafter the Reagan administration

²⁴ Ibid., 72.

²⁵ For a discussion of how the prioritization of civil and political rights over ESCR continues today, see Philip Alston, *Report of the Special Rapporteur on extreme poverty and human rights*, A/HRC/32/31 (Apr. 28, 2016), para 8.

²⁶ See John M. Howell, “Socioeconomic Dilemmas of U.S. Human Rights Policy” *Human Rights Quarterly* 3, no. 1 (1981): 78–92; see also 1979 special issue in *International Studies Quarterly*.

rejected any suggestion that ESRs were “rights”.²⁷ This hostility to ESRs was maintained over the course of the decade, and in 1987 the administration even formally repudiated the 1969 *Declaration on Social Progress and Development*.²⁸ Even within the growing transnational human rights movement, ESRs were marginalized, and the main professionalized human rights NGOs, Amnesty International and Human Rights Watch “essentially [went] out of [their] way *not* to develop that culture” of economic and social rights protection and promotion.²⁹ Their advocacy focused on individual suffering and addressing individual abuses and avoided an analysis of the underpinning structural and systemic drivers.³⁰ Until 1993, Human Rights Watch refused to consider ESRs as human rights or address such violations,³¹ and it was not until 2001 that Amnesty International broadened its mission “to enable it to work on all human rights in order to realize the universality and indivisibility of all human rights in concrete terms”.³²

In the 1980s, ESR scholars and practitioners therefore aimed to dispel prevailing conceptions that ESRs are rights only in a “moral or hortatory sense” and thus “legally negligible” and non-justiciable.³³ In doing so, they were writing against scholars such as Vierdag, who contended:

²⁷ See, for a discussion, P. Alston, “U.S. Ratification of the Covenant on Economic, Social and Cultural Rights: The Need for an Entirely New Strategy” *American Journal of International Law* 84, no. 2 (1990): 365.

²⁸ UN General Assembly, Resolution 2542 (XXIV), Declaration on Social Progress and Development, proclaimed by General Assembly resolution 2542 (XXIV), A/RES/24/2542, (Dec. 11, 1969); for the repudiation, see <http://undocs.org/A/C.3/42/SR.32>.

²⁹ Philip Alston, “Making Economic and Social Rights Count: A Strategy for the Future” *The Political Quarterly* 68, no. 2 (1997): 191.

³⁰ See, for a discussion of Amnesty International, Jessica Whyte, “Humanizing Militarism: Amnesty International and the Tactical Polyvalence of Human Rights Discourse” in Anna Yeatman and Peg Birmingham, *The Aporia of Rights: Explorations in Citizenship in the Era of Human Rights* (Bloomsburg: Bloomsburg, 2014).

³¹ *Ibid.*, 189.

³² Amnesty International, *Human Rights for Human Dignity: A Primer on Economic Social and Cultural Rights*, 2nd edition (London: Amnesty International British Section, 2014) 17.

³³ One of the key proponents of this view was E. W. Vierdag, “The Legal Nature of the Rights Granted by the International Covenant on Economic, Social and Cultural Rights” *Netherlands Yearbook of International Law* 9 (1978): 69–105; see, for a rebuttal, G. J. H. van Hoof, “The Legal Nature of Economic, Social and Cultural Rights: a Rebuttal of Some Traditional Views” in P. Alston and K. Tomaševski (eds.), *The Right to Food* (Leiden: Martinus Nijhoff Publishers, 1984), 97–110.

The creation of social and economic conditions under which social rights can be enjoyed is—as yet—not describable in terms of law. In order to be a legal right, a right must be legally definable; only then can it be legally enforced, only then it can be said to be justiciable.³⁴

In order to respond to such critiques, ESR advocates sought to demonstrate that claims for social provision could—and should—be understood not just as desirable policy or development objectives but also as legally enforceable individual entitlements or “rights” with corresponding duties imposed on the nation state.

In doing so, they drew on the literature and thinking around the “basic needs” approach to development policy that had emerged in the 1970s. Initially proposed by the International Labor Organization (ILO), the “basic needs approach” was subsequently taken up by the World Bank in a way that arguably sought to redirect attention from inequality to absolute poverty.³⁵ Bank President McNamara argued that “[u]nlike ‘closing the gap,’ reducing poverty is a realistic objective, indeed an indispensable one”.³⁶ Moreover, as promulgated by the World Bank, the focus was “not on generosity, not on charity, not on transfers, not on distribution” but rather on production and “increasing the productivity of the poor sector”.³⁷ In the late 1970s, Johan Galtung and Anders Wirak explored in a highly nuanced, and rather eclectic, way the various tensions as well as potential overlaps between human rights frameworks and the basic needs approach, ultimately contending that these are “two different types of things”.³⁸ Paul Streeten, then based at the World Bank, also operated on the premise that human rights and basic needs “clearly are two different things”.³⁹ However, for him the distinction was less conceptually grounded but imposed by the problem of scarcity. While he could accept that “common humanity” and “our membership of specific societies like the state”

³⁴ Vierdag, “The Legal Nature of the Rights”, 93.

³⁵ Norman Hicks and Paul Streeten, “Indicators of Development: The Search for a Basic Needs Yardstick” *World Development* 7 (1979): 578–579.

³⁶ Cited in Moyn, *Not Enough*, 132.

³⁷ Mahbub Ul Haq, “The World Bank/IFC Archives: Oral History Program.” Transcript of Interview by Robert Asher, Dec. 3, 1983. Audio, <http://documents.worldbank.org/curated/en/538481468338976295/pdf/790280TRN0Haq00iew0December03001982.pdf>, 4.

³⁸ Johan Galtung and Anders Wirak, “Human Needs and Human Rights: A Theoretical Approach” *Security Dialogue* 8, no. 3 (1977): 7.

³⁹ Paul Streeten, “Basic Needs and Human Rights” *World Development* 8 (1980): 107.

imposed certain obligations and suggested a right to a fair share of the community's resources, he argued that it

cannot be the right to the satisfaction of any needs, however basic, for such a right would not take into account the scarcity of available resources and the necessity of interpersonal and intertemporal choices.⁴⁰

As the “basic needs approach” was increasingly sidelined at the World Bank and in development policy in favour of more “neoliberal” orientated policy prescriptions,⁴¹ it nonetheless continued to inform human rights debates. In 1979, against those who considered the relationship between human rights and basic needs to be “unclear”, Philip Alston argued for a more synergistic relationship between human rights and the “basic needs approach”, highlighting the comparable objectives and identical underlying principles between basic needs and the Universal Declaration of Human Rights (UDHR).⁴² He contended that

the objective of eliminating dehumanizing poverty and other obstacles which prevent individual self-realization is a common concern of both those who propose the adoption of a BNS [basic needs strategy] and those who advocate the promotion of universal respect for human rights.⁴³

Nonetheless, reformulating “basic needs” as enforceable “rights” remained a complex and fraught endeavour. In doing so, the work of economist Amartya Sen and philosopher Henry Shue would prove to be central. Both these men would subsequently be part of the epistemic community of ESR advocates, contributing to key collections on formulating the right to food. During the early 1970s, Sen had worked on the ILO's World Employment Programme, and thus was “on the ground floor of the basic needs movement”.⁴⁴ Sen's ground-breaking work on famines, *Poverty and*

⁴⁰ Streeten, “Basic Needs and Human Rights” 111.

⁴¹ For a discussion of the history of the “basic needs” approach and its decline, see Julia Dehm, “Writing Inequality into the Histories of Human Rights”.

⁴² Philip Alston “Human Rights and Basic Needs: A Critical Assessment”, *Human Rights Journal* 12 (1979): 29.

⁴³ *Ibid.*, 23.

⁴⁴ Moyn, *Not Enough*, 136.

Famines published in 1981,⁴⁵ showed that deprivation was not caused by limited production, but by the entitlement relations to food in a given society. Critically, during this period Sen’s work also enabled a more nuanced way of understanding poverty and inequality, by arguing that theories of equality should look to the distribution of “basic capabilities” (or the ability to do specific things) rather than the distribution of either utility or goods.⁴⁶ This focus on “capabilities” allowed Sen to mediate debates over whether poverty is an absolute or a relative notion, by contending that “poverty is an absolute notion in the space of capabilities but very often it will take a relative form in the space of commodities or characteristics”.⁴⁷ Key players in rights to food debates highlight Sen’s concept of “entitlements” as a “major contribution to our understanding of the real problems”, as it highlighted the need to not just understand food supplies as a commodity, but rather to analyse “the *relationship between persons and that commodity*”.⁴⁸

Highly influential also was the work of Henry Shue, then based at the Centre for Philosophy and Public Policy at the University of Maryland, and his 1980 book, *Basic Rights: Subsistence, Affluence and U.S. Foreign Policy*, which provided a moral and philosophical argument for “basic rights”, that is, of minimal entitlements of subsistence, security and liberty on a global scale. Shue was concerned to identify “what might be the minimal well-being prerequisites for assurance of *civil-political* rights”, that is, the “basic” rights whose enjoyment was a necessary precondition for the exercise of all other rights.⁴⁹ He therefore argued that social arrangements needed to provide for these rights because without them political participation and association could not be enjoyed and, more-

⁴⁵ Amartya Sen, *Poverty and Famines: An Essay on Entitlement and Deprivation* (Oxford: Oxford University Press, 1981).

⁴⁶ Amartya Sen, *Equality of What?* (The Tanner Lecture on Human Values delivered at Stanford University, 22 May 1979) http://www.ophi.org.uk/wp-content/uploads/Sen-1979_Equality-of-What.pdf; see also his 1982 Hennisman Lecture published as Amartya Sen, *Commodities and Capabilities* (New Delhi: Oxford University Press, 1987).

⁴⁷ Amartya Sen, ‘Poor, Relatively Speaking’ *Oxford Economic Papers* 35 (1983): 161.

⁴⁸ Asbjørn Eide, Arne Oshanug, Wenche Barth Eide “The Food Security and the Right to Food in International Law and Development” *Transnational Legal and Contemporary Problems* 1 (1991): 422, emphasis in original.

⁴⁹ Bård-Anders Andreassen, Alan G. Smith, Hugo Stokke, “Compliance with Economic and Social Human Rights: Realistic Evaluations and Monitoring in Light of Immediate Obligations” in Asbjørn Eide and Bernt Hagtvet (eds.) *Human Rights in Perspective: A Global Assessment* (Blackwell, 1992), 259.

over, the threat of deprivation of subsistence could be used to coerce or intimidate people, especially the poor. Henry Shue's philosophical argument was influential; however, it is noteworthy that his conceptualization was deliberately minimalist, focusing not on redistribution but on a "moral minimum" or "the line beneath which no one is to be allowed to sink"⁵⁰ and "the lower limits on the tolerable human conduct, individual and institutional".⁵¹ Samuel Moyn has therefore described Shue's work as an

enterprise [that] captured the turn away from any egalitarian option in global affairs to work within an international basic needs and human rights framework and to encourage state policy—in particular that of the American state—to take on global misery.⁵²

In order to elaborate "basic rights", Shue developed a tripartite typology of correlating duties, all of which must be performed to honour the right, but not necessarily by the same individual or institution.⁵³ These were: duties to *avoid* depriving, duties to *protect* from deprivation (both by enforcing duties and by "designing institutions that avoid the creation of strong incentive to violate duty"), and duties to *aid* the deprived.⁵⁴ It was a formulation of tripartite duties that would, in modified form, be reflected in the articulation of the obligations to protect, respect and fulfil human rights.

Articulating duties that corresponded with "basic rights" was seen as an important step towards formulating more "enforceable" ESRs; nonetheless, human rights advocates were concerned that Shue's formulation of basic rights, and critically of associated correlative duties, still assumed too much in terms of resource availability, especially when the correlative duty holders were Third World states rather than the US.⁵⁵ Some human rights advocates expressed concerns that Shue's articulation of "basic rights"

⁵⁰ Henry Shue, *Basic Rights: Subsistence, Affluence and U.S. Foreign Policy* (Princeton: Princeton University Press, 1980), 18.

⁵¹ Shue, *Basic Rights*, Preface, xi.

⁵² Moyn, *Not Enough*, 162.

⁵³ Shue, *Basic Rights*, 52.

⁵⁴ Shue, *Basic Rights*, chapter 2.

⁵⁵ Bård-Anders Andreassen, Tor Skålnes, Alan G. Smith and Hugo Stokke, "Assessing Human Rights Performance in Developing Countries: The Case for a Minimal Threshold Approach to Economic and Social Rights" in Bård-Anders Andreassen and Asbjørn Eide (eds.) *Human Rights in Developing Countries 1987/88: A Yearbook on Human Rights in Countries Receiving Nordic Aid* (Copenhagen: Akademisk Forlag, 1988), 338.

seemed to “require of third world areas the same *high levels* of assurance of life and health that are only found today in the advantaged areas of the North”.⁵⁶ Moreover, they were further concerned that he “posited his rights in a largely non-minimalist fashion familiar in the Western human rights instruments” and, in doing so, he seemed “to require unrealistically high levels of redistribution to carry out the duties”.⁵⁷ ESR advocates, however, were concerned that “demands for unrealistic levels of redistribution will not produce the immediate action that human rights demand”.⁵⁸ Thus, even as they drew inspiration from Shue’s work, ESR advocates sought to reformulate and reconceptualize it. Further work needed to be done, ESR scholars argued, to translate “basic rights” into minimal levels or degree of rights assurance.⁵⁹

DEBATES OVER THE RIGHT TO FOOD

Interestingly, it was in discussions on the rights to food that much of the intellectual work to develop frameworks for making ESRs enforceable was undertaken by ESR advocates and practitioners. Moreover, this work influenced subsequent arguments for minimalist, rather than redistributive, formulations of ESRs. This is somewhat surprising, given that paragraph 11(2) of ICESCR—pertaining to the right to food—is the only provision in ICESCR where the term “distribution” is mentioned. The provision, which was included in 1963 on the request of the director of the Food and Agricultural Organization (FAO) and strongly supported by Third World states,⁶⁰ specifically states:

The States Parties to the present Covenant, recognizing the fundamental right of everyone to be free from hunger, shall take, individually and through international co-operation, the measures, including specific programmes, which are needed: (a) To improve methods of production, conservation and *distribution of food* (b) Taking into account the problems of both food-

⁵⁶ Ibid., 338, emphasis in original.

⁵⁷ Andreassen et al., “Compliance with Economic and Social Human Rights”, 259.

⁵⁸ Andreassen et al., “Assessing Human Rights Performance in Developing Countries”, 342.

⁵⁹ Ibid., 338–339.

⁶⁰ Asbjørn Eide, *Report on the Right to Adequate Food as a Human Right*, E/CN.4/Sub.2/1987/23 (Jul. 7, 1987), para 87.

importing and food-exporting countries, to ensure an *equitable distribution of world food supplies in relation to need*.⁶¹

In the wake of the 1972–1974 food crisis, the national and international dimensions of food policy were hotly debated. Earlier approaches to “food security” had focused on the need to physically increase food supplies through modifying production,⁶² but by the early 1970s increased attention was paid to distributional questions. Texts such as Susan George’s 1976 *How the Other Half Dies: The Real Reasons for World Hunger* highlighted the structural factors of the political economy that produced mis-distribution and starvation in the midst of plenty.⁶³ Moreover, resolutions passed at the 1975 FAO conference explicitly called for the organization to take a more active role implementing the NIEO in the field of food and agriculture whilst also endorsing a strategy of international agricultural adjustment.⁶⁴ In 1979, the FAO World Conference on Agrarian Reform and Rural Development further emphasized the need for reform within the agricultural sector.⁶⁵ In this period, it was generally accepted that “the basic cause of the ‘world food shortage’ was the high degree of inequality in the distribution of wealth and income both among and within nations”,⁶⁶ and philosophers such as Thomas Nagel asserted the “ethical aspects” of hunger were “part of the general problem of global economic inequality”.⁶⁷ However, a related, but somewhat countervailing discourse focused on

⁶¹ *International Covenant on Economic, Social and Cultural Rights*, adopted and opened for signature Dec. 16, 1966, entered into force Jan. 3, 1976, Article 11(2), emphasis added.

⁶² World Food Conference, Resolution 3/73, “World Food Security”, Rome, 10–29 November 1973.

⁶³ Susan George, *How the Other Half Dies: The Real Reasons for World Hunger* (Lanham, MD: Rowman & Littlefield Publishers, 1989).

⁶⁴ World Food Conference, Resolution 3/75 “Implementation of the New International Economic Order within the Ambit of the FAO” and Resolution 9/75 “Strategy of International Agricultural Adjustment”, Rome, 8–27 November 1975.

⁶⁵ World Conference on Agrarian Reform and Rural Development, “Declaration of Principles”, Rome, 12–20 July 1979.

⁶⁶ Peter G. Brown and Henry Shue, “Introduction” in Peter G. Brown and Henry Shue (eds.) *Food Policy: The Responsibility of the United States in Life and Death Choices* (London: The Free Press, 1977), 2; see also UN General Assembly, Resolution 3180 (XXVIII) “The Declaration of the Eradication of Hunger and Malnutrition”, A/RES/3180 (XXVIII), (Dec. 17, 1974).

⁶⁷ Thomas Nagel, “Poverty and Food: Why Charity Is Not Enough,” in *Food Policy: The Responsibility of the United States in the Life and Death Choices*, ed. Peter G. Brown and Henry Shue (New York: Free Press, 1977), 54.

“the elimination of hunger [as] the most basic of human needs” in the report of the 1980 *North-South Commission* chaired by Willy Brandt and elsewhere.⁶⁸

In the early 1980s, considerable attention was given to understanding food as a human right. Central to these debates was Norwegian Asbjørn Eide, an internationally recognized human rights expert who from 1981 (until 2003) was an elected member of the UN Sub-Commission on the Prevention of Discrimination and the Protection of Minorities and in 1987 was the founding director of the Norwegian Centre for Human Rights at the University of Oslo. As well as his extensive work on the right to food and ESRs, he was also the author of reports on human rights and income distribution in the early 1990s and was influential in the fields of indigenous and minority rights.⁶⁹ In 1981, a workshop on Food as a Human Right, organized by Wenche Barth Eide and sponsored by the United Nations University, was held in Gran, Norway.⁷⁰ In 1982, the UN Sub-Commission on the Prevention of Discrimination and the Protection of Minorities asked Asbjørn Eide to prepare a study on the right to food.⁷¹ In 1983, the Netherlands Institute of Human Rights started a Right to Food project, focused on the “realization” of this right, considered the “most fundamental of all the social and economic rights”, and in 1984 it sponsored a workshop “The Right to Food: From Soft Law to Hard Law”

⁶⁸Independent Commission on International Development Issues, *North-South, A Programme for Survival: Report of the Independent Commission on International Development Issues* (Cambridge, MA: MIT Press, 1980); on the Brandt Commission, see also Umut Özsü, “Neoliberalism and Human Rights: The Brandt Commission and the Struggle for a New World” *Law and Contemporary Problems* 81 (2018): 139–165.

⁶⁹See Asbjørn Eide, *Preparatory document on the relationship between the enjoyment of human rights, in particular, economic, social and cultural rights and income distribution, prepared by Mr. Asbjørn Eide, in accordance with Sub-Commission resolution 1993/40, E/CN.4/Sub.2/1994/21* (5 July 1994); Asbjørn Eide, “Rights of indigenous peoples—achievements in international law during the last quarter of a century” *Netherlands Yearbook of International Law* 37 (2016) 115–212; Asbjørn Eide “An overview of the UN Declaration and major issues involved” in Ugo Caruso & Rainer Hofmann (eds.), *The United Nations Declaration on Minorities: an academic account on the occasion of its 20th anniversary (1992–2012)* (Leiden: Brill Nijhoff, 2015).

⁷⁰“International Congress of Nutrition” United Nations University, accessed Jul. 4, 2018, <http://archive.unu.edu/unupress/food/8F042e/8F042E08.htm>.

⁷¹See Sub-Commission on the Prevention of Discrimination and Protection of Minorities resolution 1982/7; Commission on Human Rights resolution 1983/16; Economic and Social Council decision 1983/140.

that produced an edited collection.⁷² A further collection on *Food as a Human Right*, edited by Asbjørn Eide and Wenche Barth Eide, was also published in 1984.⁷³ The collection hoped that offering a human rights approach to the *food problématique* provided the “possibility for operationalizing a set of norms, a series of statements about what should be, against which the performance of states can be measured”.⁷⁴ In 1984, the International Law Association created a right to food committee (chaired by Asbjørn Eide), which prepared a report for their 1986 conference. Subsequently, in 1987 the FoodFirst Information and Action Network was established. The work to more clearly formulate and actualize a human right to food brought together an epistemic community of advocates concerned with these issues, whose writings demonstrated a close understanding of and affinity with one another’s work, which included the scholars listed above but also Henry Shue and Amartya Sen.

This body of intellectual work on the right to food developed some significant methodological moves and conceptual distinctions that would later have broader relevance for the development of legal frameworks for the realization of ESRs. Moreover, in developing legal frameworks for the right to food, these advocates were very self-consciously and deliberately also seeking to develop frameworks that could help make ESRs real and remedy the fact that almost a decade after the ICESCR came into force the nature of ESRs and resulting obligations “remain extremely vague”.⁷⁵ Over the course of his mandate, Eide prepared a preliminary report (1983), two intern reports (1984 and 1985),⁷⁶ a progress report (1985) and a final report entitled “The New International Economic Order and

⁷² Alston and K. Tomaševski (eds.), *The Right to Food*, 5.

⁷³ Asbjørn Eide and Wenche Barth Eide (eds.), *Food as a Human Right* (Shibuya: United Nations University Press, 1984).

⁷⁴ *Ibid.*, vii.

⁷⁵ Asbjørn Eide “The New International Economic Order and the Promotion of Human Rights—Report on the right to adequate food as a human right submitted by Mr. Asbjørn Eide, Special Rapporteur”, E/CN.4/Sub.2/1987/23 (Jul. 7, 1987), para 40.

⁷⁶ Asbjørn Eide, “The New International Economic Order and the Promotion of Human Rights—Study on the Right to Adequate Food as a Human Right” (Preliminary Report), E/CN.4/Sub.2/1983/25 (Jul. 25, 1983); Asbjørn Eide, “The New International Economic Order and the Promotion of Human Rights—Study on the Right to Food as a Human Right” (Progress Report), E/CN.4/Sub.2/1984/22 (Oct. 19, 1984) and its two addenda: E/CN.4/Sub.2/1984/22/Add.1 (29 June 1984) and E/CN.4/Sub.2/1984/22/Add.2 (3 July 1984); Asbjørn Eide, “The New International Economic Order—Progress Report on the right to adequate food as a human right”, E/CN.4/Sub.2/1985/23 (Jul. 29, 1985).

the Promotion of Human Rights” (1987).⁷⁷ Eide explicitly described his study on the right to adequate food as

provid[ing] an important opportunity to address a number of fundamental questions relating to economic, social and cultural rights both from theoretical and practical perspectives, and to examine the most effective measures and procedures by which their realization may be promoted and monitored.⁷⁸

A key focus on his second report was countering arguments that ESRs were not “rights” *per se* as well as, more concretely, setting out the normative and doctrinal basis for a “right to food”.⁷⁹ His final report aimed to “move from rhetoric to realization” and develop an “analysis of how the right to food should be construed and implemented in order to advance that goal”.⁸⁰ While Eide acknowledged that realizing the right to food requires the collective efforts at all scales by all actors, in his reports he was concerned to answer a more specific question, namely how the right to food can be made “more precise” and specifically how the obligations of states can be “more precisely formulated”.⁸¹ He was concerned that even though ESRs were increasingly recognized, their corresponding obligations were not, and he attributed this to the fact that these obligations “are largely formulated as broad obligations of result rather than specific obligations of conduct”.⁸² Whilst such a formulation provided flexibility, it problematically also made it very difficult to pinpoint whether specific obligations had been neglected or breached. Eide argues that in order to transform such claims from a “moral to a legal right” the “nature and enforceability of the corresponding obligations” and the “consequences which arise from a non-fulfilment by the duty-holder” must “alter and expand”.⁸³ In order to clarify the nature of the obligations corresponding to ESRs, Eide introduced two critical distinctions: firstly, the distinction

⁷⁷ See Asbjørn Eide “Report on the right to adequate food as a human right (1987); subsequently Eide also acknowledged the input of both Philip Alston and Wenche Barth Eide “whose contributions left a major imprint on the study” (Eide, “Realization of Social and Economic Rights and the Minimum Threshold Approach”, 35, fn 1).

⁷⁸ Eide, “Study on the Right to Adequate Food as a Human Right” (1983), para 6.

⁷⁹ Eide, “Study on the Right to Adequate Food as a Human Right” (1984).

⁸⁰ Eide “Report on the Right to Adequate Food as a Human Right” (1987), para 7.

⁸¹ Eide, “Study on the Right to Adequate Food as a Human Right” (Addendum II) (1984), para 3.

⁸² Eide, “Report on the Right to Adequate Food as a Human Right” (1987), para 47.

⁸³ Eide “Report on the Right to Adequate Food as a Human Right” (1987), para 56, emphasis in original.

between obligations to *respect*,⁸⁴ obligations to *protect*⁸⁵ and obligations to *fulfil* “through assistance or direct provision”⁸⁶; and secondly, a distinction between obligations of conduct and obligations of result.⁸⁷ These distinctions allowed him to formulate clear, legal obligations imposed on states and the international community. Critically, however, fulfilling these obligations did not necessarily require direct material provision from either the national state or the international community. Eide states that meeting this reformulated understanding of its obligations does not necessarily require that the state “actively fulfils the needs of individuals, by being a provider of material goods”.⁸⁸ Similarly, the obligations of the international community do not “primarily—and certainly not exclusively—consist in providing food or transferring resources for which food could be obtained”.⁸⁹ Through these moves, Eide was able to articulate the obligations of the state and the international community for the realization of ESRs in a more precise, but arguably much less materially onerous, manner.

CONSOLIDATION OF “MINIMUM CORE” IDEA

In this period, increased attention was given to the realization of ESRs, to remedy the fact that, until 1985, the work of the Commission and Sub-Commission had been primarily focused on political and civil rights concerns. In 1985, the Commission passed a resolution requesting an updated study on ESRs violations and barriers to their realization.⁹⁰ Delays ensued. However, in 1988 Danilo Türk was appointed as Special Rapporteur by the Sub-Commission to complete a study on the realization of ESRs.⁹¹ Türk was a professor of international law and a human rights expert who

⁸⁴ Ibid., para 170–174.

⁸⁵ Ibid., para 175–179.

⁸⁶ Ibid., para 180–181.

⁸⁷ Ibid., para 71–72.

⁸⁸ Ibid., para 72.

⁸⁹ Ibid., para 195, emphasis in original.

⁹⁰ Human Rights Commission, Resolution 1985/42 “Question of the realization in all countries of the economic, social and cultural rights contained in the Universal Declaration of Human Rights and in the International Covenant on Economic, Social and Cultural Rights, and a study on the special problems that the developing countries face in their efforts to achieve these human rights” E/CN.4/1985/66 (Dec. 13, 1985), 86–87.

⁹¹ UN Economic and Social Council, Sub-Commission resolution 1988/22, ‘Report of the Sub-Commission on the Prevention of Discrimination and Protection of Minorities on its Fortieth Session’, E/CN.4/1989/3, (Oct. 25, 1988).

would later serve as the first Slovenian ambassador to the United Nations (1992–2000) and, subsequently, as the president of Slovenia (2007–2012). Between 1989 and 1992, Türk submitted a preliminary report, two progress reports and a final report, discussed in more detail below. In addition, in 1985 the new expert Committee on Economic, Social and Cultural Rights was established to monitor countries' compliance under the ICESCR, replacing an earlier Working Group.⁹² Türk's reports and the work of the committee would be key institutional sites for the affirmation and dissemination of a "minimum core" approach to ESRs realization.

In the late 1980s, within the epistemic community of ESR advocates and practitioners, the notion that it was more pragmatic to pursue a minimal understanding of rights, even if this meant foreclosing more redistributive claims, was consolidated. In June 1986, the International Commission of Jurists convened an expert meeting to consider the nature and scope of state obligations under ICESCR that unanimously formulated the *Limburg Principles*.⁹³ These principles affirmed that "[t]here is no single road" to ESRs realization, which can be achieved in a "variety of political settings".⁹⁴ While the principles provided little specification on the nature of state obligations,⁹⁵ they clarified that regardless of levels of economic development states had obligations to "ensure respect for minimum subsistence rights for all"⁹⁶ and that "wilful" failure to meet a "generally accepted international minimum standard of achievement, which is within its powers to meet" would constitute a violation.⁹⁷

⁹² Economic and Social Council, Resolution 1985/17, "Review of the composition, organization and administrative arrangements of the Sessional Working Group of Governmental Experts on the Implementation of the International Covenant on Economic, Social and Cultural Rights" E/RES/1985/17, (May 28, 1985); see also Philip Alston, "Out of the Abyss: The Challenges Confronting the New U.N. Committee on Economic, Social and Cultural Rights" *Human Rights Quarterly* 9, no. 3 (1987): 332.

⁹³ See "Introduction—Symposium: The Implementation of the International Covenant on Economic, Social and Cultural Rights" *Human Rights Quarterly* 9, no. 2 (1987): 121; as well as "The Limburg Principles on the Implementation of the International Covenant on Economic, Social and Cultural Rights"; E. V. O. Dankwa and Cees Flinterman, "Commentary by the Rapporteurs on the Nature and Scope of the State Parties' Obligations"; David Harris, "Commentary by the Rapporteur on the Consideration of States Parties' Reports and International Co-operation" from the same volume.

⁹⁴ "The Limburg Principles on the Implementation of the International Covenant on Economic, Social and Cultural Rights", Principle 6.

⁹⁵ *Ibid.*, Principle 7 and 8.

⁹⁶ *Ibid.*, Principle 25.

⁹⁷ *Ibid.*, Principle 72.

Nonetheless, Philip Alston argued in 1987, the task of “identifying the core requirements” stemming from ESRs and “clarifying the normative content” of such rights, remained complex.⁹⁸ Alston proposed that the new committee should “seek to identify some minimum core content of each right that cannot be diminished under the pretext of permitted ‘reasonable difference’”.⁹⁹ The existence of such a “minimum core”, he argued, was a “logical implication of the use of the terminology of rights” as there could be “no justification for elevating a ‘claim’ to the status of a right ... if its normative content could be so indeterminate as to allow for the possibility that the rightholders possess no particular entitlement to anything”.¹⁰⁰ It was unavoidable, he argued, that “[e]ach right must therefore give rise to an absolute minimum entitlement”.¹⁰¹ In formulating this “minimum core”, Alston drew on a 1986 collection, *Human Rights: From Rhetoric to Reality*, edited by Tom Campbell, David Goldberg, Sheila McLean and Tom Mullen,¹⁰² especially a chapter by Turkish constitutional and comparative law scholar, Esin Örücü.¹⁰³ In her contribution, Örücü analysed German and Turkish constitutional rights jurisprudence, interrogating whether within that jurisprudence there is a core of each right that cannot be subject to any limitations and thus a corresponding “duty to protect an irreducible minimum, the essential content of a right, absolutely”.¹⁰⁴ She suggests:

The scope of each right must be analysed in terms of an outer edge, a circumjacency and a core. The essential elements of the norm which are unrelinquishable and unchangeable for the guaranteed core must be determined. This would need extensive multi-disciplinary work. Once meaningful criteria for every right have been established which can be concretized for every right, it should be possible to formulate a lowest common denominator, and perhaps even the average, or ideally the highest, common denominator of all guaranteed cores.¹⁰⁵

⁹⁸ Alston, “Out of the Abyss”, 352.

⁹⁹ Ibid.

¹⁰⁰ Ibid., 352–353.

¹⁰¹ Ibid., 353.

¹⁰² T. Campbell et al. (eds.), *Human Rights: From Rhetoric to Reality* (New York: Basil Blackwell, 1986).

¹⁰³ E. Örücü, “The Core of Rights and Freedoms: The Limit of Limits” in *ibid.*, 37.

¹⁰⁴ Ibid., 45.

¹⁰⁵ Ibid., 37, 55; note this is cited in P. Alston, “Out of the Abyss” at 352, fn 138.

Seemingly independently, similar ideas were developed in a chapter in the 1987/88 Yearbook on Human Rights in Countries Receiving Nordic Aid by Bård-Anders Andreassen, Tor Skålnes, Alan G. Smith and Hugo Stokke.¹⁰⁶ The authors were associated with the Norwegian Chr. Michelsen Institute, which had recently developed a human rights programme with a particular research focus on introducing human rights to development studies and "deepening the understanding of the relationship of basic needs and human rights".¹⁰⁷ Although key research themes for the programme included "human rights and the normative basis for international redistribution"¹⁰⁸ and "conceptual and argumentative strategies for international distribution",¹⁰⁹ in this paper the authors sought to emphasize "a set of minimal rights, minimal levels of which are needed for the full-scale realization of economic and social rights".¹¹⁰ Their paper was initially presented in July 1985 at the International Political Science Association meeting as "Rights and Needs in a Third World Context: A Model for Disaggregating Economic and Social Rights".¹¹¹ It built on the work of co-author Alan G. Smith, who in an earlier paper posed the question "just what would be the immediate obligation of the advantaged Northern 'haves' toward the sufferers under the moral rubric of human rights?"¹¹² He answered this question by proposing that the interdependency of "minimal choice in a few key freedom rights areas" and "minimal well being in a few key well being rights areas" would provide both the causal and moral foundations for comprehensive respect for human rights.¹¹³ As such, he suggested that "*a core set of interdependent, minimalist prerequi-*

¹⁰⁶ Andreassen et al., "Assessing Human Rights Performance in Developing Countries", 333.

¹⁰⁷ Ivar Kolstad and Hugo Stokke, "Rights with Bite: 20 years of Human Rights Research at the Chr. Michelsen Institute" in Ivar Kolstad and Hugo Stokke (eds.) *Writing Rights: Human Rights Research at the Chr. Michelsen Institute 1984–2004* (Bergen: Fagbokforlaget, 2005), 2.

¹⁰⁸ Ibid., 2.

¹⁰⁹ Ibid., 3.

¹¹⁰ Ibid., 9.

¹¹¹ Bård-Anders Andreassen, Alan G. Smith, Hugo Stokke, "Compliance with Economic and Social Human Rights: Realistic Evaluations and Monitoring in Light of Immediate Obligations" in Asbjørn Eide and Bernt Hagtvet (eds.) *Human Rights in Perspective: A Global Assessment* (Blackwell, 1992), 315, fn 17.

¹¹² Alan G. Smith, "Human Rights and Choice in Poverty" *Journal of Social Studies (Dacca)* 32 (1986): 44–78, 44.

¹¹³ Ibid., 45.

site rights” was the “critical minimal platform” for further feasible progress on rights.¹¹⁴ Smith’s key concern was that a “radical failure of well being” in the global South led to systemic violations of civil and political rights, including “failures of minimal choice in expression, association (political and economic), movement and general endeavour” as well as the coercion of dependent clients by their patrons.¹¹⁵ The prevalence of this context characterized by the absence of choice between significant alternatives, Smith argued, therefore called for the provision of “minimal needs” and a “calibrated *and* minimal choice-calibrated human rights approach”.¹¹⁶ In doing so, Smith reformulated Shue’s concerns about the risk of coercion the poor face unless there is the assurance of certain basic needs, whilst also narrowing the scope of such needs primarily to minimal food and health.¹¹⁷

The piece by Andreassen et al., however, was not primarily concerned with the economic/social foundations of civil-political rights assurance, but rather sought to apply “a realistically short list of minimalist well-being rights as a foundation principally for progressive realization of the *economic-social Convention itself*”.¹¹⁸ In order to do so, they developed the “minimal-threshold concept”. The authors aimed to provide analytical and practical guidance towards the “application of realistic human rights standards in the context of Third World poverty”¹¹⁹ by formulating

standards that may be seen as obligatory for the distribution of rights-related goods and services in that they can actually be met by the world’s available resources without harming production incentives.¹²⁰

Such standards, they hoped, could provide a “realistic yardstick for *comparative analysis and documentation of socio-economic rights implementa-*

¹¹⁴ Ibid., 45–46, emphasis in original.

¹¹⁵ Ibid., 45.

¹¹⁶ Ibid., emphasis in original.

¹¹⁷ Andreassen et al., “Compliance with Economic and Social Human Rights”, 259; see also Alan G. Smith, *Human Rights and Choice in Poverty: Food Insecurity, Dependency, and Human Rights-Based Development Aid for the Third World Rural Poor* (Westport, Connecticut: Praeger, 1997).

¹¹⁸ Andreassen et al., “Compliance with Economic and Social Human Rights”, 260, emphasis in original.

¹¹⁹ Andreassen et al., “Assessing Human Rights Performance in Developing Countries”, 333.

¹²⁰ Ibid., 334.

tion in poor countries, with realistic implications for the identification of duty-holders”.¹²¹ In this way, they translated discussions of “basic” rights into a more pragmatic identification of “*minimalist degrees of rights assurance within each of the fundamental rights areas*”.¹²²

These scholars adopted this approach in order to push back against both those who saw ESRs as “mere goals” and presumed that “the costs of universal need satisfaction are too high ... to be able to identify duty-holders correlative to the right”¹²³ as well as those who formulated corresponding obligations that inadequately considered resource constraints, especially in the developing world.¹²⁴ Andreassen et al. explicitly acknowledged that a key aim of their reframing of ESRs was to “narrow the problem of distributive justice” and thereby only assess “the *evenness of the distribution of socially guaranteed minimal levels of certain goods and benefits among individuals and groups* within a country”.¹²⁵ They justify this move by arguing that

[t]he application of ideal principles of distributive justice to achieve the full realisation of all economic, social and cultural human rights listed in the documents is in today’s economic world order an unrealistic aspiration.¹²⁶

Such ideals are unrealistic, they claim for two reasons. Firstly, they are concerned about “*uncertainty regarding incentives to produce the surplus wealth* that would have to be redistributed”.¹²⁷ Further, they warn that “[a]brupt, overambitious attempts at large scale redistribution might produce disincentives to production and attendant dislocations”, which might have the effect of lowering rather than raising the rights enjoyed by the least advantaged.¹²⁸ Nonetheless, it is significant that Andreassen et al. still gestured towards a vision of “[l]ong-run distributive justice to achieve full human rights standards”.¹²⁹ However, their primary focus was on “immediate justice for the most deprived groups or persons” and what was fea-

¹²¹ Ibid., emphasis in original.

¹²² Ibid., 338–339, emphasis in original.

¹²³ Ibid., 337.

¹²⁴ Ibid., 337–338.

¹²⁵ Ibid., 340, emphasis in original.

¹²⁶ Ibid., 341.

¹²⁷ Ibid., 341, emphasis in original.

¹²⁸ Ibid., 341–342.

¹²⁹ Ibid., 342.

sible and necessary immediately.¹³⁰ Therefore, in order to ensure that minimal levels of basic needs were immediately socially guaranteed they felt it necessary to ascribe “an amount of realisation defined as a minimal threshold”.¹³¹

In December 1988, the Special Committee of International NGOs on Human Rights held a seminar on “Human Rights and the Disadvantaged”,¹³² where Asbjørn Eide prepared a background report on the realization of minimum international standards for ESRs.¹³³ Eide’s report drew heavily on his work on the right to food, but extended his analysis to explicitly posit a “minimal threshold approach” to ESRs realization as counterpoised to approaches more concerned with distributive justice. He reflected that “[o]n the face of it, the internationally recognized human rights seem to call for *ideal, distributive justice*”,¹³⁴ and suggested that specific provisions of the UDHR and ICESCR “taken at their face value, might indicate that everyone shall be equal in control over resources”.¹³⁵ Moreover, such interpretations might suggest pursuing policies where “the state ensures an equitable redistribution of productive resources ... to every person under its jurisdiction” or “that the state directs and controls the economic system and then becomes the provider for everyone of their material needs on the basis of equality”.¹³⁶ However, Eide immediately rejects both these possible approaches. Instead, he highlights the potential problems of applying such a “notion of ideal justice” in practice.¹³⁷ In particular, he is concerned that dismantling concentrated control over productive resources would “require a powerful state”, which would necessarily have “serious negative consequences for other human rights”, individual freedoms and political pluralism.¹³⁸ Further, he suggests that a powerful state “will be resisted by the privileged” and thus, lead to “serious conflicts” and “extensive additional violations”.¹³⁹

¹³⁰ Ibid., 342.

¹³¹ Ibid., 343.

¹³² Daniel Lack, “Human Rights and the Disadvantaged” *Human Rights Law Journal* 10 nos. 1–2 (1989) 53.

¹³³ Asbjørn Eide, “Realization of Social and Economic Rights and the Minimum Threshold Approach” *Human Rights Law Journal* 10, no. 1–2 (1989): 35.

¹³⁴ Ibid., 44, emphasis in original.

¹³⁵ Ibid.

¹³⁶ Ibid.

¹³⁷ Ibid.

¹³⁸ Ibid.

¹³⁹ Ibid.

Eide’s analysis explicitly builds on the work of Andreassen et al. He cites with approval their assessment that distributive justice is an “unrealistic” means of ESRs realization, as it would “produce disincentives to production”, reduce surplus wealth and thereby might harm rather than help the most disadvantaged.¹⁴⁰ Additionally, he argues that distributive justice is “negative to capital accumulation” as “[i]t makes it difficult to save for the purpose of reinvestment”, thereby undermining what Eide sees as the necessary conditions for future ESRs realization.¹⁴¹ Eide thus echoes Andreassen et al. in calling for a minimum threshold for human rights realization. He is optimistic that “well-developed, sophisticated application” of ESRs could “lay to rest some of the most profound ideological cleavages which have undermined the international progress towards a comprehensive realization of human rights”.¹⁴² Eide counsels fellow advocates to prioritize pragmatism over idealism and to therefore “accept a pragmatic compromise between the ideal and the realistic”.¹⁴³ He urges a retreat from an ideal that “might call for equality for all” and advocates instead for a focus on the pragmatic realization of ESRs through “consistent vigilance to improve the conditions for the most vulnerable, without expecting dramatic and abrupt transformations of comprehensive and interlocking economic and social systems”.¹⁴⁴ Underlying Eide’s argument was his desire to avoid what he saw as an unwinnable confrontation with “the powerful and the aggressive [who] would continue to fight for their privileges”.¹⁴⁵ As such, embedded in his formulation of a minimalist conception of rights is an implicit assumption that in order to translate economic and social rights claims into “implementable” and “realizable” entitlements it is more strategic to appeal to the powerful than to contest unequal distributions of power.

The seminar’s final report echoed Eide’s approach. It affirmed that

[a] valid yardstick for the realization of these rights might be found in what may be termed as the minimal threshold approach, measured by means of indicators developed for specific national situations.¹⁴⁶

¹⁴⁰ Ibid.

¹⁴¹ Ibid., 45.

¹⁴² Ibid., 46.

¹⁴³ Ibid., 47.

¹⁴⁴ Ibid.

¹⁴⁵ Ibid.

¹⁴⁶ Lack, “Human Rights and the Disadvantaged”, 54.

The report also affirmed that the “path of pragmatism yields better results than the broad sweep of all-embracing ideologies” and that such an approach “would preclude the recognition of any validity in a more radical attempt to arrive at distributive justice as a means of achieving all such rights in a process of rapid equalization”.¹⁴⁷ The report’s position was firmly that implementing a redistributive process was an “unrealizable alternative in the light of contemporary realities”.¹⁴⁸ This revealing assumption helps explain the subsequent orientation, strategies and tactics of much human rights activism.

In 1989, Türk’s preliminary report on ESRs realization was provided to the Sub-Commission,¹⁴⁹ in which he endorsed the further elaboration of the “minimum core content” of each ESR as an approach that “merits support” as well as “a great deal of further elaboration”, and argued that the new CESCR should be taking the lead on this work.¹⁵⁰ However, even as there was growing consensus in the epistemic community of ESR advocates and scholars around this approach, within inter-country political negotiations initially tensions over how ESRs should be understood and realized persisted. The first meeting of the CESCR in 1987 was “marked by the continuation of many of the divisions that had succeeded to a significant extent in paralyzing its predecessor”.¹⁵¹ The experts from the USSR, Poland and Bulgaria were “isolated in opposition”¹⁵² and expressed a “strong and unequivocal resistance” to procedural innovations.¹⁵³ However, the second committee meeting was seen as “mark[ing] a turning point in international efforts to promote the realization of [ESRs]”.¹⁵⁴ There, the practice of the committee

¹⁴⁷ Ibid., 55.

¹⁴⁸ Ibid.

¹⁴⁹ Danilo Türk, “The New International Economic Order and the Promotion of Human Rights: Realization of Economic, Social and Cultural Rights”, E/CN.4/Sub.2/1989/19 (Jun. 28, 1989).

¹⁵⁰ Ibid., para 31. However, the main focus of his report was on structural adjustment and the reality of extreme poverty as “broad socio-economic phenomena” that generate “adverse effects on the realization of these rights” (para 53).

¹⁵¹ Philip Alston and Bruno Simma, “First Session of the UN Committee on Economic, Social and Cultural Rights” *American Journal of International Law* 81, no. 3 (1987): 749.

¹⁵² Ibid.

¹⁵³ Ibid., 755.

¹⁵⁴ Philip Alston and Bruno Simma, “Second Session of the UN Committee on Economic, Social and Cultural Rights” *American Journal of International Law* 82, no. 3 (1988): 603–604.

moved substantially beyond [its] formal advisory role and has begun to emerge as the principal forum in which the implications of the concept of economic, social and cultural rights are being explored.¹⁵⁵

Alston and Simma attribute this to “the emergence of a certain shared understanding on the part of the members of the Committee” and to specific attempts to avoid politicization of the committee’s work, both aided by the resignation of the USSR representative.¹⁵⁶ Thus, they were optimistic that the easing of Cold War “East-West ideological differences”—which they argued had “bedeviled international efforts in this field”—would lead to a “reduced desire to seek to exploit the difficulties or inadequacies of any particular socioeconomic system”.¹⁵⁷

However, the consolidation of a specific relationship between ESRs realization and minimalism, in Türk’s 1992 final report, is based on a scathing critique of socialist approaches to equality and the promotion of a liberal notion of equality as “equity” and non-discrimination.¹⁵⁸ Although Türk spends a whole section of his report analysing the problem of growing income distribution and explicitly acknowledges that “[g]rowing income disparities ... threaten the realization of [ESCRs]”,¹⁵⁹ he nonetheless warns against policies to pursue “unqualified egalitarianism”.¹⁶⁰ Moreover, although he stresses that economic growth alone is insufficient for rights realization,¹⁶¹ he nonetheless develops a formulation in which economic growth is posited as an unquestioned imperative, whilst redistribution is only presented as a desirable discretion. Specifically, Türk draws on the example of the ex-socialist states to illustrate why he believes “it is dangerous to elevate it [equality] to a level of a general principle”.¹⁶² He argues that the failures of the ex-socialist states, where egalitarianism was the objective of social policies—at least in rhetoric—shows “that a certain degree of inequality and reasonable differentiation is both equitable and

¹⁵⁵ Ibid., 604.

¹⁵⁶ Ibid., 604.

¹⁵⁷ Ibid., 605.

¹⁵⁸ Danilo Türk, “The Realization of Economic, Social and Cultural Rights: Final Report” E/CN.4/Sub.2/1992/16 (Jul. 3, 1992).

¹⁵⁹ Ibid., para 84; see also paras 76–84.

¹⁶⁰ Ibid., para 35.

¹⁶¹ Ibid., para 91.

¹⁶² Ibid., para 35.

necessary”.¹⁶³ If all individuals expect to “be ‘rewarded’ equally irrespective of their contribution to the creation of resources in the society”, he warns, it would “[have] a very destimulating effect on the creation of wealth”, producing slow or even negative growth and thus inadequate resources for the provision of social services.¹⁶⁴ Therefore, he suggests, that due to the pursuit of equality “the level of realization of economic, social and cultural rights in many ex-socialist States is inadequate in objective terms and is much below the level expected by the people in these countries”.¹⁶⁵ Thus, he cautions, “careful consideration” needs to be given in policymaking to “a proper balance between the postulate of equality and the necessary differentiation among individuals”.¹⁶⁶ Whilst, Türk endorses “equality” in the formal sense of non-discrimination,¹⁶⁷ he warns that the pursuit of “equality” in a more substantive, material and egalitarian sense risks undermining the realization of both civil and political rights, as well as ESRs. As such, in his formulation human rights concerns no longer provided an imperative for distribution, but rather actively imposed limits on such attempts.

CONCLUSION

Although conceptual debates on how to monitor the implementation and realization of ESRs continued through the 1990s,¹⁶⁸ the end of the Cold War,¹⁶⁹ the rise of a unipolar world and the defeat of the Third World project gradually neutralized the broader ideological dispute that underpinned debates about ESRs realization and the competing underlying imperatives of distribution and sufficiency or minimalism. This chapter has shown how over the course of the 1980s debates about the realization of ESRs moved

¹⁶³ Ibid., para 35.

¹⁶⁴ Ibid., para 35.

¹⁶⁵ Ibid., para 35.

¹⁶⁶ Ibid., para 35.

¹⁶⁷ Ibid., para 34.

¹⁶⁸ See Audrey R. Chapman, “A ‘Violations Approach’ for Monitoring the International Covenant on Economic, Social and Cultural Rights” *Human Rights Quarterly* 18, no. 1 (1996): 23.

¹⁶⁹ For a discussion of debates about economics, debt and inequality at the end of the Cold War, see Julia Dehm, “Rupture and Continuity: North/South Struggles Over Debt and Economic Co-operation at the End of the Cold War” in Sundhya Pahuja, Matthew Craven and Gerry Simpson (eds.) *Cold War International Law* (Cambridge: Cambridge University Press, forthcoming).

away from an earlier “structural” focus that linked promoting egalitarianism to rights realization, to instead adopt a “pragmatic” rejection of the ideal of equality for all and prioritize “minimum core” obligations. It explored the key debates of the epistemic community of ESR advocates and their efforts to give ESRs greater legal standing by making them more enforceable.

This chapter sought to track the shifting ways in which debates about ESRs realization were framed and understood as well as the conceptual innovations adopted in order to present correlating obligations for ESRs. This involved first clarifying the nature of the obligations of duty-bearers for the realization of ESR and reformulating them so they were both more precise, but arguably also less materially onerous. Secondly, it involved articulating and defining the minimal rights that were the necessary basis for the ongoing progressive realization of ESRs. Although this concept of a “minimal threshold” of rights and the immediate obligation of the state to ensure a minimum essential level of each right did not foreclose future aspirations of distributive justice as part of the realization of ESRs, this focus on sufficiency was increasingly counterpoised to such broader ideals. This chapter has been concerned to understand the motives of the ESR advocates involved in this reconceptualization, as well as the rationales and justifications they offered for their approach. In this way, this chapter has highlighted the contingent political choices that have produced our contemporary understanding of ESRs. Simultaneously, however, it sought to foreground how the broader political and economic transformations of the 1980s constrained certain imaginative and political possibilities for rights and enabled others.



Inequality in Global Disability Policies since the 1970s

Paul van Trigt

INTRODUCTION

The current attention to the history of global economic inequality is fostering additional interest in exploring other types of inequalities and the relationships among them.^{1,2} This interest is, according to some scholars, preceded by several decades of neglecting economic inequality in favour of addressing other issues, often under the banner of identity politics. Nancy Fraser, for instance, argued shortly after Donald Trump's election as U.S. president against progressive neoliberalism, defined by her as 'an alliance of mainstream currents of new social movements (feminism, anti-racism, multiculturalism, and LGBTQ rights) on the one side, and high-end

¹The author acknowledges the support of the ERC Consolidator Grant Rethinking Disability under grant agreement number 648115.

²Kenneth McGill, *Global Inequality* (Toronto: University of Toronto Press, 2016); Pedro Ramos Pinto, "The Inequality Debate: Why Now, Why like This?", *Items. Insights from the Social Sciences* (2016), <https://items.ssrc.org/the-inequality-debate-why-now-why-like-this>; Göran Therborn, "Dynamics of Inequality", *New Left Review* 103 (January–February 2017), <https://newleftreview.org/II/103/goran-therborn-dynamics-of-inequality>.

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“symbolic” and service-based business sectors (Wall Street, Silicon Valley, and Hollywood), on the other’. Progressive neoliberalism is, according to her definition, against the discrimination of groups like the LGBTQ community, but maintains or even stimulates economic inequality.³ Fraser’s argument echoes a debate with German scholar Axel Honneth more than a decade ago, which addressed the recognition of societal groups. One of Fraser’s main arguments in that debate was that recognition and related identity politics are not in themselves sufficient for an inclusive society. We must also strive for a more equitable distribution and redistribution of resources and, thus, greater economic equality.⁴ Recent historical work appears to confirm her assessment: Samuel Moyn, for example, combined his thesis on the rise of human rights since the 1970s with the neglect of redistribution and economic inequality at the global level during the same period. Status equality, which, according to Moyn, means that ‘no one ought to be treated differently because of the kind of person they are’, is currently more accepted than ever, but consensus on material equality has been much harder to achieve.⁵

Against the backdrop of these debates on inequality and on which type of inequality is the most urgent to address, I will focus in this chapter on the particular case of global disability policies from the 1970s onwards. Societies have often viewed people with disabilities as unequal to their able-bodied counterparts, and this situation provoked diverse attempts to conceptualize and fight this inequality. Since the 1970s, people with disabilities have increasingly taken the lead in these attempts. Moreover, these attempts acquired a more ‘global’ framework: both the grassroots movements of people with disabilities and related policies became internationalized. In addition, these debates directly forged links between observations on the inequality of people with disabilities in concrete, local or national settings, and analyses of inequality as a fundamental condition occurring all over the world. In the literature, discussed later, the recent

³ Nancy Fraser, “From Progressive Neoliberalism to Trump—and Beyond”, *American Affairs* I, 4 (Winter 2017): 46–64, <https://americanaffairsjournal.org/2017/11/progressive-neoliberalism-trump-beyond/>. Cf. Jessica Whyte, “Powerless companions or fellow travellers? Human rights and the neoliberal assault on post-colonial economic justice”, *Radical Philosophy* 2, no. 2 (2018) 13–29.

⁴ Nancy Fraser and Axel Honneth, *Redistribution or recognition? A political-philosophical exchange* (London/New York: Verso, 2003).

⁵ Samuel Moyn, *Not Enough. Human Rights in an Unequal World* (Cambridge, MA/London: The Belknap Press of Harvard University Press, 2018), 3.

history of conceptualizing the inequality of people with disabilities is often presented as moving from a welfare state approach to disability to more of a human rights and anti-discrimination one. This shift would imply turning from a focus on socio-economic equality to status equality. In her book about disability rights, Katharina Heyer stated that considering disability as a human rights issue, particularly since the United Nations Convention on the Rights of Persons with Disabilities (UNCRPD from 2006), was ‘unthinkable just twenty years earlier when most countries relied on charity, social welfare, segregated institutions, and sometimes employment quotas to incorporate people with disabilities or mitigate the suffering brought about by their exclusion’. The 1990 Americans with Disabilities Act is generally seen as the ‘world’s first comprehensive disability anti-discrimination law’, and therefore as the ‘first political expression’ of a new approach to disability.⁶

However, this chapter shows that the shift in global disability policies is far more complicated than suggested in the research literature, where an Anglo-American perspective has reigned. If one also considers disability activism outside the Anglo-American context, it becomes difficult to maintain the view that the global disability movement has made this shift. Recent debates about the UNCRPD have increasingly revolved around the question of how to translate human rights to ‘the circumstances of people experiencing extreme poverty, displacement and living in repressing regimes’.⁷ Moreover, the struggle for socio-economic equality was often more important in Anglo-American countries than otherwise suggested. I will present the history of UN disability policies as revolving to a much lesser degree around status equality and human rights than the literature suggests. Since disability can be linked to different forms of equality and inequality, varying from poverty to discrimination, it is worthwhile looking at what has actually occurred at the UN since the 1970s. I will focus mainly on how a selection of official UN documents and processes addressed inequality. My main ambition is to examine the extent to which the thesis about this presumed shift in focus from socio-economic (in) equality to human rights and status equality can be verified on the basis of a detailed analysis of these documents.

⁶ Katharina Heyer, *Rights Enabled. The Disability Revolution, From the US, to Germany and Japan, to the United Nations* (Ann Arbor: University of Michigan Press, 2015), 2.

⁷ Monika Baár, “De-pathologizing Disability: Politics, Culture and Identity”, *Neue Politische Literatur* 62 (2017): 281–303: 298.

INEQUALITY AND THE GLOBAL DISABILITY MOVEMENT

The dominant historical narrative about the struggle for equal rights among people with disabilities connects different parts of Anglo-American disability history with what has occurred at the UN level. Before I problematize this narrative, I will briefly present what this narrative entails. A major shift that one encounters in almost every text on disability in the last few decades is the shift from the so-called medical model of disability to the social model. According to the medical model, disability is an individual deficit, while the social model perceives disability as a social construct. The shift is often attributed to the Anglo-American context from the 1970s and 1980s because at that time people with different disabilities found each other in their struggle for emancipation. Before that time, cross-disability activism aimed at equal citizenship hardly existed. People with disabilities were organized on the basis of disability type—blindness, for example—and activism focused mainly on improving social services. Society understood people with disabilities (as they also understood themselves) as being in a paradigm of social welfare in which medical experts played an important role in determining disability. Robert Drake summarized this point clearly: ‘welfare is still significantly about changing the individual to fit into the social and physical environment rather than altering the social, political, and physical contours of society’.⁸

The shift, which the social model of disability brought about, was that people with disabilities increasingly united themselves in cross-disability groups that were combatting discrimination in ways similar to those of the social movements of women, ethnic minorities and LGBTQ people. The Americans with Disabilities Act (1990) is therefore seen as a landmark event in the emancipation of people with disabilities. The shift towards the social model and a new focus on anti-discrimination are often presented as entangled with a shift towards a human rights approach to disability. As Jane Campbell and Mike Oliver put it, ‘disabled people began to recognize that the problem of disability is externally located and that our exclusion from society is a human rights issue’.⁹

⁸ R.F. Drake, “Welfare States and Disabled People”, in *Handbook of Disability Studies*, ed. Gary L. Albrecht, Katherine D. Seelman, Michael Bury (Thousand Oaks/London/New Delhi: Sage Publications, 2001), 412–430: 416.

⁹ Jane Campbell and Mike Oliver, *Disability politics: understanding our past, changing our future* (London: Routledge, 1996) 62. See for differences between the US and the UK: Heyer, *Rights Enabled*, 47–50.

The entanglement of the shift from the medical to the social model with the shift away from welfare to human rights can certainly be observed in the history of influential disability groups in the UK and the US. In addition, this shift has often functioned as an inspiring example for activist groups in other countries. However, from a historical perspective, it is questionable if this shift can serve as a major explanatory factor in understanding the new dynamisms of the disability movements worldwide, let alone the history of UN disability policies. Often, different strands of disability history are tied together to create a smooth narrative with a clear teleology and the worldwide implementation of the UNCRPD as a ‘logical’ outcome. Even the more nuanced contributions tend to underline the centrality of the Anglo-American approach to disability as an issue of discrimination.¹⁰

The first important point to make is that this narrative overlooks disability histories from other parts of the world. Moreover, not only does it ignore alternative approaches to disability, but it is also rather monolithic and devoid of nuances in its treatment of Anglo-American history. Gildas Brégain wrote about disability protests in Argentina, Brazil and Spain during the period 1968–1982 and relativized ‘the originary and original manner of the Anglo-American protests within the growth of disability rights movement at the international level’.¹¹ Monika Baár has argued that

contrary to other (capitalist) countries where the efforts of self-determination were directed against the patronising attitudes of medical and professional experts, disabled activists in Hungary were actively and wholeheartedly assisted in their emancipatory desires by these professional groups.¹²

Landmine survivors in late twentieth-century Northern Uganda, as Herbert Muyinda has shown, did not take a human rights approach, but pursued the contested approach of ‘special needs’.¹³ A closer look at the

¹⁰ Heyer, *Rights Enabled*.

¹¹ Gildas Brégain, “An entangled perspective on disability history: The disability protests in Argentina, Brazil and Spain”, in *The Imperfect Historian. Disability Histories in Europe*, ed. Sebastian Barsch, Anne Klein and Pieter Verstraete (Frankfurt am Main: Peter Lang, 2013), 133–153: 153.

¹² Monika Baár, “Informal Networks, International Developments and the Founding of the First Interest-Representing Associations of Disabled People in Hungary in the Late Socialist Period (1970s–1980s)”, *Moving the Social* 53 (2015), 39–62: 39.

¹³ Herbert Muyinda, “Negotiating Disability: Mobilization and Organization among Landmine Survivors in Late Twentieth-Century Northern Uganda”, in *Disability Histories*,

UK reveals that, as Gareth Millward's work among others suggests, not only did disability activism begin by addressing welfare issues such as poverty, but social security also remained an important issue despite the rise of the social model.¹⁴

These examples of scholarship could be extended, but what they immediately indicate is that the 'shift-narrative' does not cover different approaches to disability as determined by specific contexts. That does not challenge the fact that parallels and transnational exchanges between countries exist; however, disability histories as mentioned earlier do not support the idea that one cohesive global movement changed the understanding of disability from a medical/welfare model to a social/human rights model in the 1970s. I will support this argument by analysing the UN disability policy and in particular the UN's International Year of Disabled Persons (IYDP, 1981), with the theme 'full participation and equality', and the Standard Rules on the Equalization of Opportunities for Persons with Disabilities (SREOPD, 1993). This analysis will be carried out in order to address the following two questions: (1) which form of inequality was seen as the most urgent to address? and (2) was there a shift in focus over time from socio-economic (in)equality to human rights?

THE INTERNATIONAL YEAR OF DISABLED PERSONS (1981)

The 'official' UN narrative on disability policies echoes almost exactly the shift that has become dominant in the understanding of the Anglo-American disability movement, namely, from welfare to anti-discrimination and human rights since the 1970s.¹⁵ UN disability policies before the 1970s have not yet been studied in great detail, but existing literature clearly shows two things: (1) that disability was hardly explicitly mentioned in the fundamental human rights documents and (2) that the UN was involved in (development) programmes focusing on disability

ed. Susan Burch and Michael Rembis (Urbana/Chicago/Springfield: University of Illinois Press, 2014) 98–115; 112–113.

¹⁴ Gareth Millward, "Social Security Policy and the Early Disability Movement—Expertise, Disability, and the Government, 1965–77", *Twentieth Century British History* 26, 2 (2015), 274–297.

¹⁵ Division for Social Policy and Development, *The United Nations and Disability. 70 years of the work towards a more inclusive world* (New York and Geneva: United Nations, 2018), https://www.un.org/development/desa/disabilities/wp-content/uploads/sites/15/2018/01/History_Disability-in-the-UN_jan23.18-Clean.pdf.

prevention and rehabilitation.¹⁶ Although rehabilitation can be understood as a means to render people with disabilities equal to other citizens in their functioning, the concept of equality or equal rights did not appear to be the central concept in international disability policies during the first decades after the Second World War.¹⁷

Since the 1970s, disability has increasingly received attention from the UN and its specialized agencies. In 1975, the concerns of people with disabilities received recognition by the General Assembly with the United Nations Declaration on the Rights of Disabled People. On the one hand, this declaration emphasized their equality, but on the other, the underlying approach to disability with which this declaration operated was the medical model.¹⁸ It focused on the social services that would ensure their right ‘to enjoy a decent life, as normal and full as possible’.¹⁹ The declaration framed disability as primarily a welfare issue rather than a human rights issue. The same trend is also observable in the IYDP in 1981.

Since the 1960s, the UN has observed international days, weeks, years and decades which have been dedicated to a variety of causes: refugees, women, anti-apartheid. After the year of women (1975) and the year of the child (1979), the UN General Assembly declared, based on a proposal from Libya in 1976, the year 1981 as the International Year of Disabled Persons. As the following formulation reveals, its central theme became ‘full participation and equality’: “full participation” of disabled persons in the social life and development of societies in which they live; and “equality”, meaning living conditions equal to those of other citizens in their society and an equal share in the improvement of living conditions resulting from social and economic development’. The Centre for Social Development and Humanitarian Affairs, part of the Economic and Social Council of the UN, undertook the responsibility for the organization of

¹⁶ Gildas Brégain, *Pour une histoire du handicap au XXe siècle. Approches transnationales (Europe et Amériques)* [Towards a history of disability in the twentieth century. Transnational approaches (Europe and the Americas)] (Rennes: Presses Universitaires de Rennes, 2018).

¹⁷ Gildas Brégain, “The role of international institutions in the process of categorization of ‘disabled people’ (1930s–1975)”, in *The Routledge History of Disability*, ed. Roy Hanes, Ivan Brown and Nancy E. Hansen (London/New York: Routledge, 2018), 117–132.

¹⁸ Division Social Policy, *United Nations and Disability*. See for the development of the declaration: Brégain, *Pour une histoire* and a chapter of Anaïs van Ertvelde in the forthcoming volume *Marginalized Groups, Inequalities and the Post-War Welfare State: Whose Welfare?*

¹⁹ Article 3 of the United Nations Declaration on the Rights of Disabled Persons (1975), see: <https://www.ohchr.org/EN/ProfessionalInterest/Pages/RightsOfDisabledPersons.aspx>.

the year. Concerned national governments and organizations were asked to initiate activities that would support the main objectives linked to this theme: giving disabled people what they need for their full participation in society, investing in rehabilitation and the prevention of disabilities, and ‘educating and informing the public of the rights of disabled persons to participate in and contribute to various aspects of economic, social and political life’.²⁰

The theme of the International Year reflected the shift in the self-understanding of Anglo-American disability groups from a focus on welfare and rehabilitation to participation and equality. Initial preparations for the year became contested, and because of vigorous protests the concept of equality was integrated into the documents. Moreover, tellingly, ‘year for’ in the title was replaced with ‘year of’.²¹ The significance of this seemingly minor change should not be underestimated: people with disabilities should no longer be a passive object of UN policies. During the year, disability activists in different countries organized their own activities and protested against the official celebrations because precisely the issues they found to be important were insufficiently taken into account by politicians and policymakers.²² The year 1981 also observed a ‘revolutionary’ development: disabled representatives from across the globe founded the first international cross-disability organization during a meeting in Singapore: Disabled Peoples’ International (DPI). The aim of this brand new organization was ‘to become the voice of disabled people’, and it asserted ‘that disabled people should be integrated into society and participate with the same rights as everyone else’.²³ However, this countermovement was only partly effective at the UN level. Although the UN Centre for Social Development and Humanitarian Affairs used the words ‘participation’

²⁰ United Nations, World Programme of Action Concerning Disabled Persons [A/37/351/Add.1], 1982, <https://documents-dds-ny.un.org/doc/UNDOC/GEN/N82/238/48/pdf/N8223848.pdf?OpenElement>.

²¹ See for first version: United Nations, International Year of Disabled Persons [General Assembly], 1976, http://www.un.org/en/ga/search/view_doc.asp?symbol=A/RES/31/123.

²² Monika Baár, ‘The European ‘Disability Revolts’ of 1981: How Were They Related to the Youth Movement?’, in *A European Youth Revolt: European Perspectives on Youth Protest and Social Movements in the 1980s*, ed. Knud Andersen and Bart van der Steen (Houndmills: Palgrave Macmillan, 2016), 159–171.

²³ D. Driedger, *The Last Civil Rights Movement. Disabled People’s International* (London: Hurst, 1989), 1.

and ‘equality’, the emphasis continued to be on prevention and on the ways disabled people could be supported in their participation in society, including rehabilitation. The question as to how society (and law) could be changed (structurally) in such a way that disabled people became equal citizens remained largely absent from the UN agenda. The IYDP thus stimulated, as an unintended consequence, disability activism and alternative approaches to disability, but this did not immediately result in a shift at the global level or in the perception of international organizations (Fig. 1).

This becomes clear when looking at how the case of people with disabilities was addressed in the so-called World Programme of Action Concerning Disabled Persons (WPA) developed during the year and later



Fig. 1 Professor Theresia Degener (foreground left), Chair of the Committee on the Rights of Persons with Disabilities, addresses a roundtable on inclusion and full participation of persons with disabilities in humanitarian action on 14 June 2017. As an activist, Degener was part of the so-called cripple tribunal for human rights violations against people with disabilities in West Germany during the International Year of Disabled Persons (1981). She became a leading expert in disability rights and law and was, for instance, involved in the drafting of the Convention on the Rights of Persons with Disabilities (2006). Degener was born without arms due to Congenital amelia, a sleeping drug with unforeseen effects (UN Photo/Kim Haughton)

linked to the proclamation that declared the period from 1983 to 1992 as the United Nations Decade of Disabled Persons. The WPA was described by the DPI member Henry Enns from Canada as ‘a declaration of emancipation’. According to him, DPI was ‘largely successful in having its views incorporated into the WPA’, particularly in recognition of people with disabilities as ‘citizens with rights’ and viewing organizations of people with disabilities as ‘the voice of disabled people’. Enns argued that the first draft from 1980 was still medical model-oriented, but the final version from 1982 affirmed that ‘disabled people are first and foremost citizens with rights, and second, clients of social services (paragraph 25)’.²⁴ In the documents of the Dutch committee that was responsible for the national observances of the International Year in 1981 as well as the international negotiations, it was mentioned that the draft version of the WPA was criticized by countries such as Canada and Sweden because it excessively followed the ‘traditional line of helping the disabled’ instead of ‘creating conditions which ensure that people with disabilities integrate in society’. Canada ensured that the following paragraph on human rights was added to the plan:

Full participation in the basic units of society—family, social groups and community—is the essence of human experience. The right to equality of opportunity for such participation is set forth in the Universal Declaration of Human Rights and should apply to all people, including those with disabilities. In reality, however, disabled people are often denied the opportunities of full participation in the activities of the socio-cultural system of which they are a part. This deprivation comes about through physical and social barriers that have evolved from ignorance, indifference and fear.²⁵

In all likelihood, the integration of such sentences was not self-evident but was fought for vigorously. Such amendments opened a new societal perspective on disability. However, the question arises as to whether they also justify the framing of the WPA as ‘a declaration of emancipation’ and a shift towards a new approach.

A closer look at the WPA shows that the general tendency was the same as the broader aim of the International Year: ‘living conditions equal to

²⁴ Driedger, *Last Civil Rights*, 97.

²⁵ Nationaal Archief Den Haag, Commissie Internationaal Jaar Gehandicapten (toegang 2.27.07), inventaris 6, attachment to meeting 17 September 1981 (Dutch quotes translated by author).

those of other citizens in their society'. The relevant terms of action proposed in the WPA were defined as prevention, rehabilitation and equalization of opportunities. It becomes evident from the documents that disability was first and foremost considered a development issue, something that often seems to be overlooked in the literature. Already during that year, national committees in the Global North, as in the Dutch and Scandinavian cases,²⁶ decided to spend money and time on the 'Third World'. The prevailing thought was that the more developed countries already secured 'various social rights of disabled persons'.²⁷ On 7 December 1981, Princess Juliana, the former Queen of the Netherlands, spoke to the UN General Assembly on the occasion of the official closing of the International Year and underlined the moral obligation of welfare states to do their utmost to support other countries in their efforts to improve the often bad situation of people with disabilities.²⁸ The WPA, therefore, gave priority to developing nations since they 'have a bigger share of disability problems relative to the developed nations because of malnutrition and other poverty-related diseases, poor sanitation and lack of efficient communications systems'.²⁹

It would be a misunderstanding if we interpreted the emphasis on development merely as a paternalistic attempt of the Global North to contribute to the development of the Global South. The WPA resonates with the ideal of global equality put forward by representatives of the Global South in the 1970s:

[P]roblems of the disabled were viewed as closely connected with overall development to a large extent on the creation of adequate international conditions for the faster socio-economic development of these countries. Accordingly, the establishment of the new international economic order is of direct relevance to the implementation of the objectives of the year.³⁰

²⁶ See my paper about the Dutch case 'Gelijkheid zonder beperking' (in review) and the PhD project of my Leiden colleague Anna Derksen about the IYDP in the Scandinavian context.

²⁷ United Nations, Commission for Social Development, Prevention of disability and rehabilitation of disabled persons, 19 December 1978 (E/CN.5/565), 5.

²⁸ Nationaal Archief Den Haag, Commissie Internationaal Jaar Gehandicaptten (toegang 2.27.07), inventaris 10, speech Juliana.

²⁹ United Nations, World Programme of Action.

³⁰ Ibidem.

The reference to the New International Economic Order (1974) shows that disability in the WPA was framed into a broader vision of equality between countries and within societies. This framing does not, however, mean that disability became systematically included and mainstreamed in UN policies other than the disability policies of the Centre for Social Development and Humanitarian Affairs. That would only occur in the late 1990s.³¹ Moreover, neither socio-economic equality nor socio-economic rights of people with disabilities were central aims of the WPA. Instead, the assumption was that people with disabilities should experience equal advantage from their societies' development.³²

The overarching aim of the UN—and the Economic Social Council (ECOSOC) in particular—was therefore a structural change, although not focusing on disability alone. This scenario was thus significantly different from the (more restricted) notion of 'social change', which representatives of the Anglo-American model advocated. Moreover, organizations such as the World Health Organization (WHO) for which the medical model was still relevant were more influential at the UN level than activist organizations such as DPI. It was for these reasons that rehabilitation and prevention could remain important points in the WPA and, as we will see later in this chapter, they would continue to remain a cornerstone of UN disability policies for a much longer period.

Nevertheless, we can observe another perspective on disability in the WPA under the heading of 'equalization', focusing on anti-discrimination law:

[S]ome countries have taken important steps to eliminate or reduce barriers to full participation. Legislation has in many cases been enacted to guarantee to disabled people the rights to and opportunities for schooling, employment and access to community facilities, to remove cultural and physical barriers and to proscribe discrimination against disabled persons.³³

Overall, however, the emphasis was not on human rights and anti-discrimination. Inequality of disabled people for the purposes of the UN

³¹ Shaun Grech, "Disability and Development: Critical Connections, Gaps and Contradictions", in *Disability in the Global South. The Critical Handbook*, ed. Shaun Grech and Karen Soldatic (Springer International Publishing Switzerland, 2016) 3–19; idem, "Disability and Poverty: Complex Interactions and Critical Reframings", 217–235.

³² Cf. Moyn, *Not Enough*.

³³ United Nations, World Programme of Action.

meant mainly inequality in living conditions and participation in society, which could be improved by services. The concept of equal rights played a role, but no real joint effort was undertaken to challenge member states to change their legislation or to develop new international legislation.

STANDARD RULES ON THE EQUALIZATION OF OPPORTUNITIES FOR PERSONS WITH DISABILITIES (1993)

Another key moment in the ‘shift-narrative’ from welfare to anti-discrimination and human rights is the formulation of the Standard Rules on the Equalization of Opportunities for Persons with Disabilities in 1993. Before taking a closer look at these rules, I will briefly discuss how disability rights were addressed during the UN Decade of Disabled Persons (1983–1992). One can observe increased attention to a human rights approach to disability at the UN during this decade. Next to a broader reference to human rights as underlying principles of disability policies, human rights came to be used as an (international) yardstick for the maltreatment of people with disabilities.³⁴ Already in 1978 a WHO staff member, Einar Hollander, tried to convince the UN Commission on Human Rights that a special initiative was needed to address the maltreatment of people with disabilities and children in particular, but it would take a long time before this was picked up.³⁵ Only in 1984 did the Commission on Human Rights recommend undertaking a ‘thorough study of the causal connection between serious violations of human rights and fundamental freedoms and disability as well as of the progress made to alleviate problems’. It took another couple of years before this study was carried out.³⁶

The idea of a human rights convention on disability was discussed officially for the first time during an expert meeting about the implementation of the WPA in 1987 in Stockholm. On this occasion the relevant documents stated, far more explicitly than the WPA documents, that ‘the basis of this guiding philosophy must be the recognition of the human rights of

³⁴ See for this distinction: Samuel Moyn, *Last Utopia. Human Rights in History* (Cambridge, MA/London: The Belknap Press of Harvard University Press, 2010).

³⁵ Einar Helander, “The Origins of Community Based Rehabilitation”, *Behindernde und internationale Entwicklung/Disability and International Development* 24, no. 1 (2013): 4–14: 11. Helander writes about the UN High Commissioner of Human Rights, but this institution did not exist at that time. Thanks to Sam de Schutter for suggesting reading this paper.

³⁶ Leandro Despouy, *Human Rights and Disabled Persons* (New York and Geneva: United Nations, 1993), <https://www.un.org/esa/socdev/enable/dispaperdes0.htm>.

disabled persons, first as full citizens of their countries with the same rights as those of other citizens, and only secondary as users of social and other services'.³⁷ This did not mean that social services were not deemed important: 'social security systems providing services and support for disabled people and their families should be extended to allow disabled people to achieve their full potential in society'.³⁸ The experts, among whom people with disabilities were relatively well represented, recommended that

the General Assembly convene a special conference on the rights of persons with disabilities, with the mandate to elucidate such rights and to draft an international convention on the elimination of all forms of discrimination against disabled persons, to be ratified by States by the end of the Decade, in 1992.³⁹

The governments of Italy and Sweden did submit proposals to the UN General Assembly in this direction in the years following the expert meeting but to no immediate avail.⁴⁰ The perspective that had determined the International Year of Disabled Persons was still dominant: the improvement of living conditions by social policy measures was seen as more urgent than realizing a human rights convention.

The report initiated by the UN Commission on Human Rights and published in 1993 did not foster change in the reluctant attitude of the UN towards the drafting of a convention. In his report *Human Rights and Disabled Persons*, Leandro Despouy, Special Rapporteur of the Sub-Commission on Prevention of Discrimination and Protection of Minorities, observed that specific disability rights

do not appear in any formal listing but are scattered throughout a number of legal instruments, or have been recognized by the courts. In fact, what might be termed the specific rights of disabled persons are only the material

³⁷ United Nations, Global Meeting of Experts to review the implementation of the World Programme of Action concerning Disabled Persons at the mid-point of the United Nations Decade of Disabled Persons [CSDMA/DDP/GME/7], 1 September 1987, 5.

³⁸ UN, Global meeting, 8.

³⁹ Ibidem, 6.

⁴⁰ United Nations, Views submitted by Governments, intergovernmental organizations and United Nations bodies concerning a comprehensive and integral international convention on the protection and promotion of the rights and dignity of persons with disabilities [A/AC.265/2003/4], 2003, <http://hr-travaux.law.virginia.edu/international-conventions/convention-rights-persons-disabilities>.

and legal expression of the minimum contribution that the community or the State should make towards ensuring that such persons can enjoy on an equal basis all the human rights enjoyed by individuals in general.⁴¹

Despite all that was undertaken during the Decade of Disabled Persons, ‘persons with disabilities are going to find themselves at a legal disadvantage in relation to other vulnerable groups such as refugees, women, migrant workers’, and, ‘unlike the other vulnerable groups, they do not have an international control body to provide them with particular and specific protection’. Therefore, Despouy stated that

the establishment of an international body or mechanism to supervise respect for the human rights of disabled persons is one of the most cherished aims of the non-governmental organizations.⁴²

Despouy’s report had a more narrow focus on human rights as a yardstick for the maltreatment of people with disabilities compared to the recommendation to draft a convention, as mentioned earlier, put forward by the experts in 1987. This did not immediately change the UN disability policies under the responsibility of the ECOSOC, but the focus on human rights as a yardstick for maltreatment did gain significance when the idea of a convention was discussed in the early 2000s.

The developments during the decade indicate an increasing emphasis on a human rights approach. At the same time, they also reveal that the meaning of the concept was contested and that the concept represented only one of several that were used in the UN disability policies evolving during that time. Prevention, rehabilitation and development continued to remain highly relevant concepts, and ‘with deep concern’, a document did note ‘that many developing countries are facing enormous difficulties in dealing with increasing numbers of disabled citizens’.⁴³

That a human rights approach to disability was not self-evident by the end of the decade also becomes obvious from the Standard Rules, the non-binding instrument on which the UN General Assembly ultimately reached agreement, and one that was intended to promote

⁴¹ Despouy, *Human Rights*.

⁴² Ibidem.

⁴³ United Nations, Draft resolution VII, United Nations Decade of Disabled Persons [E/1989/25, E/CN.5/1989/12], 15, <http://hr-travaux.law.virginia.edu/international-conventions/convention-rights-persons-disabilities>.

‘disability-sensitive policy design and evaluation, as well as technical cooperation’.⁴⁴ In hindsight, the Rules represented an important step towards what became the UN Convention on the Rights of Persons with Disabilities in 2006. In the Rules, as legal scholars Quinn and Degener have stated, the ‘traditional preoccupations of prevention and rehabilitation have been relegated to the background in favour of the rights perspective’.⁴⁵ However, if we take a closer look at the Rules, it is questionable if this really was the case.

The Rules document does state rather obviously that their purpose was ‘to ensure that girls, boys, women and men with disabilities, as members of their societies, may exercise the same rights and obligations as others’, but also that ‘existing human rights documents seemed to guarantee persons with disabilities the same rights as other persons’.⁴⁶ With this last phrase, the idea of a convention was deemed superfluous and ultimately excluded by the UN in 1993. Moreover, rights were framed as needs: ‘the principle of equal rights implies that the needs of each and every individual are of equal importance’.⁴⁷

The Rules were about ‘equalization of opportunities’, and in that sense they built upon earlier policies that ‘emphasized the right of persons with disabilities to the same opportunities as other citizens and to an equal share in the improvement in living conditions resulting from economic and social development’.⁴⁸ Furthermore, the situation of people with disabilities in developing countries was considered as urgent as before, and prevention and rehabilitation remained presented as ‘fundamental concepts in disability policy’.⁴⁹ In contrast to suggestions from existing literature, there was thus a significant degree of continuity with earlier policies within the Rules. Human rights appeared to be interpreted in terms of

⁴⁴ UN, Views submitted.

⁴⁵ Gerard Quinn and Theresia Degener, *Human Rights and Disability. The current use and future potential of United Nations human rights instruments in the context of disability* (New York and Geneva: United Nations, 2002), 35, <http://www.ohchr.org/Documents/Publications/HRDisabilityen.pdf> (17 March 2018).

⁴⁶ United Nations, Standard Rules on the Equalization of Opportunities for Persons with Disabilities, 1993, 5–6, <https://www.un.org/development/desa/disabilities/standard-rules-on-the-equalization-of-opportunities-for-persons-with-disabilities.html>.

⁴⁷ UN, Standard Rules, 8. Cf. Moyn, who shows in *Not Enough* how the human needs paradigm was used by the World Bank among others as a way to deal with (global) poverty without contesting material inequality structurally.

⁴⁸ Ibidem, 4.

⁴⁹ Ibidem, 6.

needs and opportunities rather than in a legal sense of (status) equality, which is the dominant approach in the UNCRPD.

We can observe a certain degree of discontinuity on other issues. The Rules were covering more life domains than the WPA. Furthermore, the Rules more strongly underlined the importance of the involvement of people with disabilities themselves. Also, the social model of disability was better integrated into the Rules than in earlier UN documents. This manifests in the section on terminology, which explains the need to recognize ‘the necessity of addressing both the individual needs (such as rehabilitation and technical aids) and the shortcomings of the society (various obstacles for participation)’.⁵⁰ Thanks to the prevalence of the social model during the previous years, a topic such as accessibility received more attention than ever before. In comparison to the WPA, socio-economic equality was addressed more extensively in the Rules. Rule 7 was, for example, concerned with the (human) right of employment while rule 8 informed states that they were ‘responsible for the provision of social security and income maintenance for persons with disabilities’.⁵¹ An important difference was that there were no longer any references to the New International Economic Order or to an alternative global vision of social justice.

The Rules seemed, therefore, to constitute part of a broader shift in the UN and other international institutions away from a policy aimed at changing global inequality structures. The UN has had difficulties since the 1990s, according to Stefan-Ludwig Hoffmann, with responding to the increasing global discrepancy between rich and poor. Hoffmann exposes a major change in perspective: ‘visual representations of the “Third World” have shifted from developing nations to suffering individuals, victims of natural or manmade disasters without political agency in the international arena’.⁵² This statement does not hold entirely true for

⁵⁰ Ibidem, 7.

⁵¹ Ibidem, 17.

⁵² Stefan-Ludwig Hoffmann, “Introduction. Genealogies of Human rights and history”, in *Human Rights in the Twentieth Century* ed. idem (New York: Cambridge University Press, 2010), 24. Cf. Julia Dehm’s blog “Rights as Potential Sites of Distributive Struggle”, where she writes in response to Moyn’s *Not Enough*: ‘There was [in the late 1980s] a call for rights advocates to retreat from an ideal that “might call for equality for all” and instead focus on the pragmatic realization of rights through “consistent vigilance to improve the conditions for the most vulnerable, without expecting dramatic and abrupt transformations of comprehensive and interlocking economic and social systems”’, see: <https://tocqueville21.com/focus/rights-as-potential-sites-of-distributive-struggle/>.

disability policies because self-advocates became increasingly involved in UN policies, and their role in the drafting of the UNCRPD is a unique phenomenon in international law making. At the same time, however, people with disabilities were often considered as one of the ‘vulnerable groups’ addressed in UN human rights policies—as we already observed in Despouy’s report. In that sense, the framing of people with disabilities as a separate group in the world community that was explicitly vulnerable and deserved special attention was strengthened by the Rules (in which the appointment of a special rapporteur was included). Different from the WPA, the Rules aimed at reaching an approach to disability that was all-encompassing but also tended to stand apart from other policies.

The Special Rules and the increasing attention to ‘vulnerable groups’ in the 1990s can explain the decision of the UN General Assembly to support Mexico’s proposal in 2001 to develop a special convention on the rights of people with disabilities. With the international convention, the UN disability policies finally became rights-based, but this development can hardly be seen as an uncontested end point. Already at the stage of the negotiations, critics expressed the concern that disability was insufficiently integrated into the Millennium Development Goals.⁵³ The convention is, moreover, increasingly criticized from a Global South perspective, with socio-economic inequality and poverty being the main concerns. This begs the question of whether

a redistribution of power and wealth both between rich and poor countries and within poor countries could have more impact on the lived experience of disabled people in the global South than would human rights legislation.⁵⁴

These remarks are not intended to deny the worldwide progress in the last decades towards ensuring equality and equal rights of persons with disabilities. Rather, they are intended to call attention to how complicated this trajectory of progress was and still is.

⁵³ United Nations, General Assembly 60th Summary record of the 5th meeting 3rd committee, 2005 (A/C.3/60/SR.5), <http://hr-travaux.law.virginia.edu/international-conventions/convention-rights-persons-disabilities>. In 2001 the ‘argument for a disability convention was framed in light of the recently released Millennium Development Goals’ by Mexico, see Heyer, *Rights enabled*, 172–173.

⁵⁴ Helen Meekosha and Karen Soldatic, “Human Rights and the Global South: the case of disability”, *Third World Quarterly* 32, 8 (2011): 1383–1397: 1389.

CONCLUSION

The current debates among disability experts on the limited use or even uselessness of the human rights framework in the Global South reflect the broader discussion about global economic inequality and the critical evaluation of the attention to other types of inequalities that have become prominent in recent decades, most notably, status inequality. I have shown in this chapter that what the research literature has described as a shift in global disability policies and the global disability movement from welfare to human rights since the 1970s is much more complex and contentious than often suggested. A closer look at disability protests and movements worldwide has demonstrated that welfare and economic inequality did not necessarily lose importance with the introduction of a human rights perspective on disability. Based on the investigation of two key moments in UN disability policy—the International Year of Disabled Persons (and WPA) in 1981 and the Standard Rules on Equalization of Opportunities for Persons with Disabilities in 1993—I have shown that the human rights perspective on disability was far from self-evident or dominant until the UN decided to develop a convention in 2001. Disability around the year 1981 was mainly conceptualized as a development issue and as part of the New International Economic Order (NIEO) policies. This assumed that people with disabilities would and should have advantage of global equality as envisioned in the NIEO. This vision was almost absent in 1993: the Rules as adopted by the UN that year reflected an increasing attention to ‘vulnerable groups’ in development and human rights policies. The focus on ‘vulnerability’ did not so much reflect the concern with structural socio-economic inequalities; rather, such an approach was meant to ensure ‘that the needs [and opportunities] of each and every individual are of equal importance’. Therefore, the presumed shift from welfare to human rights in global disability policy during the 1980s could perhaps be better understood as a shift to human needs, followed by a shift—although contested from the start—to human rights in the late 1990s.

The analysis of international disability policies does inform the larger debate on global inequality in at least two ways. Firstly, it suggests a more complex chronology: attention to socio-economic inequality was not waning since the 1970s as is suggested in the literature. Only in the 1990s did socio-economic inequality come to be seen as less urgent and a human needs approach begin to become dominant. Global inequality seems to have multiple chronologies. Secondly, my analysis sheds new light on the

supposed relation between the increasing attention to status inequality and the neglect of material inequality. During the 1990s the situation of ‘vulnerable groups’ like people with disabilities came to be seen as a policy area in itself and was approached less as part of a general policy aimed at changing global inequality structures. However, the increasing attention to the status equality of ‘vulnerable groups’ did not mean that economic inequality necessarily lost importance. Human rights even kept the door open for addressing socio-economic inequalities: the UNCRPD, for instance, includes socio-economic rights and is compared to other international laws sensible to ‘issues of structural power and oppression’.⁵⁵ The future will learn if human rights live up to this potential.

⁵⁵ Frédéric Mégret, “The disabilities convention: Human rights of persons with disabilities or disability rights?”, *Human Rights Quarterly* 30, no. 2 (2008): 494–516.



Protection and Abuse: The Conundrum of Global Gender Inequality

Sally L. Kitch

Gender inequality is deliberate, universal, and exploitative by design. Although gender inequality exemplifies many other forms and manifestations of inequality, it is also distinguished from those other forms in at least two ways. One is its foundational role. That is, gender inequality is not only a variation or example of other categories and mechanisms of inequality, but it has also served as a model or template for those other kinds throughout history and around the globe. The second distinctive feature of gender inequality is its sentimental—but also cynical and deeply ironic—link to the concept of protection. That is, gender inequality has historically been justified as a means of protecting women, often from themselves. It is, therefore, a form of inequality imposed in the alleged best interests of the unequal. Among the many ironies of such protection is the reality that gender inequality has done more to protect men from women than vice versa, when protection from their protectors is what many women have historically needed.

The purpose of this chapter is to parse and support these claims. The chapter will begin by exploring the intersection of gender inequality with other inequality types described by theorists. It will then offer evidence of gender inequality's foundational role in the evolution of those other

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categories. While that discussion includes examples from numerous cultures, it will culminate in a discussion of the gendered foundations of racial inequality in the United States and its European roots. The chapter will conclude with a case study that demonstrates how the concept of protectionism for women has historically exacerbated gender inequities. That case entails the legacy of *coverture*—a now-defunct common law precept brought from England to the American colonies in the seventeenth century—in ongoing offences of sexual assault and harassment targeting women. This continuum exemplifies the persistence of gender stereotypes, of precepts of male dominance and entitlement, and of economic and political power inequities between the sexes over centuries and around the world.

THE GENDERED UNIVERSE OF INEQUALITY

Understanding gender inequality requires recognizing how humans' physiological variations—from body size to skin colour and facial features—and significant differences in the “circumstances, opportunities, life chances, and [cultural] characteristics” intersect with the social and political value of equality. Key to that relationship is the social meaning attached to certain differences; that is, some differences create distinctions that carry more weight than others in the distribution of resources, opportunities, and social and political power.¹

Establishing equality in the context of difference, especially socially meaningful difference, means recognizing differences without creating hierarchies. French critic Jacques Derrida has explained how difficult that is, because humans rarely perceive binaries as equivalent, even among terms in a text. Rather, we typically see one element as more important or powerful than the other. In human interactions, as Simone de Beauvoir and other existentialists have argued, the “one” (who has the power) typically defines the “other” (who does not) in terms of his “own plenitude and the other’s lack.”² Gender difference, which is arguably the first binary that early human beings created among themselves, offers a stark exemplar

¹ Robert J. Holton, *Global Inequalities* (London: Palgrave, 2014), 14.

² Sally L. Kitch, *The Specter of Sex: Gendered Foundations of Racial Formation in the United States* (Albany, NY: SUNY Press, 2009), 22; Simone de Beauvoir, *The Second Sex* (New York: Vintage Books, 2011), 26.

of the problem.³ Indeed, “in virtually every culture, gender difference is a pivotal way in which humans identify themselves as persons, organize social relations, and symbolize meaningful natural and social events and processes.”⁴

Feminists have long recognized the need to distinguish the facts of human sexual difference from the political goal of equality. As Nancy Cott explains, “feminism asks for sexual equality that includes sexual difference. ... It [also] posits that women recognize their unity while it stands for diversity among women.”⁵ Indeed, from a feminist perspective, the notion of equality exists not to impose sameness on diverse groups but rather to recognize and bridge human differences—many of which, like gender differences, are socially constructed—within and between societies and groups.

The history of gendered comparisons reveals how difficult that juggling act has been. Indeed, it is quite clear that females in a world dominated by men have typically been cast as “other.” In the fifth century BCE, for example, Euripides declared women to be “a huge natural calamity/against which men must take/strenuous measures,” thereby asserting men’s role as the “natural” standard of humanity against which all others are measured (and found wanting). Genesis 2 (2:18, 21–13) reiterated the case: man came first; woman came from man’s rib and was defined as a helpmeet in fulfilling man’s duties. And lest woman’s natural reproductive powers be mistaken for a social advantage or an equalizing force, Genesis also cast sex and reproduction as the original human sin, for which women would suffer for eternity.⁶

³ Although the words *sex* and *gender* are often used interchangeably in ordinary parlance, I am using *sex* to denote physiological and reproductive characteristics of males and females and *gender* to denote cultural interpretations of those characteristics, including culture-specific prescriptions for gender behaviour and roles. *Gender* has many other meanings and connotations in feminist theory, and feminist theorists typically regard both *sex* and *gender* as socially constructed concepts that create a false opposition or binary among people. They are not facts of nature. See Mary Hawkesworth, “Confounding Gender,” *Signs* 22, no. 3 (Spring 1997): 649–685. For purposes of this discussion, I am accepting that sex difference is a marker of social organization with profound implications for human equality. I am therefore bracketing any discussion of its tangential and vexed relationship to biology.

⁴ Hawkesworth, “Confounding Gender,” 18; paraphrasing Sandra Harding’s *The Science Question in Feminism* (Ithaca, NY: Cornell University Press, 1986).

⁵ Nancy Cott, *The Grounding of Modern Feminism* (New Haven, CT: Yale University Press, 1987), 5–6.

⁶ Kitch, *Specter of Sex*, 43.

This fundamental form of gender inequality dominated Western thought right through the Enlightenment, which did not ultimately erase the idea that sex-based inequalities were endemic to the natural order. Science was frequently on board with that claim, as its eighteenth- and nineteenth-century practitioners often strained credulity to establish hard-wired gender differences in brains, bones, blood, and capacities.⁷ Educated Western women, from England's Mary Wollstonecraft and France's Olympe de Gouges in the eighteenth century to America's Angelina Grimké and Elizabeth Cady Stanton in the nineteenth century, resisted this "othering" and claimed the right to equality for their sex. Yet, results at the deepest levels have been painfully slow in coming, despite many changes in women's legal, economic, and political status over the centuries.

Thus, when Kenneth McGill claims that gender inequality is universal because men control 98 per cent of the world's wealth and women constitute 80 per cent of the 2.5 billion poorest people in the world, he is identifying symptoms of a deeper truth. Women have universally been the unequal "other" in virtually every realm in which inequality is manifest around the world, even though the particulars of gender inequality "vary from society/nation to society/nation."⁸ In patriarchal societies worldwide, gender is still perceived as a socially meaningful marker of difference that "affects the distribution of income and broader life chances among world citizens." According to Sylvia Walby, gender categories also automatically make some people more vulnerable to violence than others and less powerful in social and political arenas.⁹ As Martha Nussbaum and Amartya Sen argue, gender further determines who does and does not have the right to "choose a life one has reason to value."¹⁰

For these reasons, it comes as little surprise that most types or mechanisms of inequality either entail or have historical links to gender inequality. McGill explains, for example, that gender inequality has historically produced and reproduced economic inequality and that economic inequality has long been defined and enforced in gendered terms.¹¹

Göran Therborn provides a framework for considering gendered manifestations of various forms of inequality across time and cultures. Therborn

⁷ Kitch, *Specter of Sex*, 39, 41.

⁸ Kenneth McGill, *Global Inequality: Anthropological Insights* (Toronto: University of Toronto Press, 2016), 42.

⁹ Holton, *Global Inequalities*, 14, 8.

¹⁰ Amartya Sen, *Development as Freedom* (New York: Anchor Books, 1999), 74–75.

¹¹ McGill, *Global Inequality*, 49.

identifies three types of inequalities and four mechanisms of inequality. His mechanisms include *distanciation*, *exploitation*, *exclusion*, and *hierarchization*. His categories, which interact with those mechanisms, include *vital inequality*, *existential inequality*, and *resources inequality*.¹²

Therborn's mechanisms and categories resonate with many common gendered manifestations of inequality. For example, his *distanciation* mechanism—which entails unequal preconditions for life—calls to mind such gendered cultural practices as female infanticide, son preference, and deprivations of food, healthcare, and education that have disadvantaged women and girls in many cultures around the world. Gendered forms of *distanciation* can, in turn, explain the *vital inequality* experienced by many girls, such as those in the global South who only get the leftovers after their brothers and fathers have eaten, or those who are yanked from school at age seven to care for younger children, or those who are never allowed to attend school at all. Such girls suffer the unequal life chances—the *vital inequality*—that reduce life expectancies and restrict opportunities to thrive.

Virginia Woolf's "Shakespeare's Sister" is a fictional, but plausible, historical rendition of the vital inequities suffered by daughters who were less educated than their brothers or forced to care for children and households in Western cultures, while the men in their families devoted their time to education, creative work, or career advancement. Woolf's invented Shakespeare sister, Judith, "was as adventurous, as imaginative, as agog to see the world as [William] was, but she was not sent to school." Her energies were diverted to housework and she was betrothed in her teens against her will. She came to a terrible end, for "who shall measure the heat and violence of the poet's heart when caught and tangled in a woman's body?"¹³ Such shrunken opportunities and mangled aspirations have done much to create the apparent disparities between the sexes in genius, creativity, and achievement that are typically attributed to female nature. Thus, women's mandated *vital inequality* effectively creates their *existential inequality*, through which they are additionally denied the basic tenets of personhood—autonomy, dignity, degrees of freedom, and the right to be respected.

¹² Göran Therborn, *The Killing Fields of Inequality* (Cambridge, UK: Polity Press, 2013), 49, 55–59.

¹³ Virginia Woolf, *A Room of One's Own* (Wilmington, MA: Mariner Books, 1989), 52.

Women's *existential inequality* can also be explained by gendering Therborn's other mechanisms of inequality—*exploitation*, *exclusion*, and *hierarchization*. Gendered exploitation includes the instrumental view of women's lives, which assigns them value only in terms of their service to others' (typically male) life purposes. Extreme examples include forced "political" marriages, from those arranged by royalty to the phony unions between kidnapped school girls and soldiers of the Boko Haram in Nigeria, and the sale into marriage of girls as young as nine in Afghanistan. In such cases, females may be exploited for their family's financial gain, to satisfy older men's sexual fantasies, and to provide men with offspring and domestic labour. Through such practices, girls are not only robbed of their dignity, autonomy, and agency, but they are also reduced to (and learn to see themselves in terms of) their sexual and domestic utility. This extreme form of *existential inequality* from an early age practically guarantees a lifetime of *resources inequality*, as girls are denied the opportunity to gain the motivation, skills, and experience necessary to create wealth and produce income.

Therborn's concept of *hierarchization* is significant for gender inequality on two levels. First, the hierarchies created by multiple mechanisms of gender inequality support the material exclusion of women and girls from opportunities, agency, and resources, as in previous examples. But in addition, *hierarchization* has established an ethos of inequality that rationalizes the lower status and powerlessness of women (and some feminized men), based on stereotypes about their capacities, tendencies, preferences, and overall value. That ethos institutionalizes the ranking of social actors.¹⁴ In the United States and elsewhere, gender hierarchization has been enforced through practice—persistent gender-based job status and pay inequities (e.g., preschool teachers have historically earned less than truck drivers in the United States), unequal pay for equal work, the glass ceiling, and the sticky floor.¹⁵ At the same time, gender hierarchization has been enforced on the basis of principle—through gendered job and role prescriptions for men and women, internalized images of leaders as necessarily

¹⁴Therborn, "Killing Fields," 59.

¹⁵For definitions of these terms, see Penelope Twemlow, "Glass Ceiling or Sticky Floor – Barriers to Careers for Women," *This Woman Can* (October 23, 2017). <https://www.this-womancan.org/glass-ceiling-sticky-floor-barriers-to-careers-women/>. For comparative wage data for the United States, see Bureau of Labor Statistics, "May 2017 National Occupational Employment and Wage Estimates United States." https://www.bls.gov/oes/current/oes_nat.htm#53-0000.

male, and claims that women's reproductive cycles make them inherently unreliable.

Both forms of gender hierarchization are evident in the historical exclusion of unpaid labour from gross national product calculations in industrialized countries. That economic blind spot is based on historical exploitations and hierarchies created by gendered stereotypes of valuable labour and by a legacy of exploitative gender practices, rather than on the actual value of labour to the economy. Thus, the exclusion reinforces the economically invisible nature of women's domestic and caretaking work because it does not produce a pay cheque. It also perpetuates the devaluation of women's domestic labour and promotes women's existential inequality as immutable facts of economic life. This exclusion contributes to women's resources inequality by discounting their unpaid career experience, as well as the administrative, financial, and decision-making skills they may have acquired as domestic managers.

GENDER INEQUALITY AS FOUNDATIONAL

That gender inequality exemplifies or intersects with the mechanisms and categories of inequality defined by theorists like Therborn is only part of its story, however. In addition, gender inequality is foundational to many ancient belief systems, including religious and ethical traditions, and to scientific explanations of the natural order throughout history. Indeed, many societies claim that gender inequality is mandated by God or Nature, or both, which makes gender inequality seem fundamental and immutable. It also helps to justify male entitlement to superior social roles and cultural status.

Sentiments or customs that assert female inferiority and inequality with men are evident in the practice of the world's three Abrahamic religions, for example, even though those religious traditions and texts may also contain assertions of gender equity. For instance, the Qur'an states that men and women are equal in Allah's eyes and have the same spiritual nature (e.g., Al Qur'an 4:125; 7:189). In addition, the Hadith extol the virtues of many powerful women, including the Prophet's first wife, Khadija.¹⁶ Yet, many Muslim societies impose draconian forms of gender

¹⁶For a recent review of the powerful women in the Prophet's life, see Daisy Khan, "The #MosqueMeToo Movement," *The Wall Street Journal* (June 28, 2018). <https://www.wsj.com/articles/the-mosquemetoo-movement-1530226224?emailToken=f1504cfa4ecb1986>

inequality on the basis of Mohammed's subsequent marital history, which is interpreted (wrongly, according to Muslim feminists) as a sign that men are entitled to women's (or girls') bodies and services, sexual or otherwise, even without their consent.

By the same token, the Hebrew Bible includes two human creation stories. Genesis 1 (1:26) describes the formation of male and female together, both in God's image. But Jewish and Christian-dominated societies often prefer Genesis 2, in which Eve is depicted as a secondary and inferior addition to the human family. Christians also emphasize Eve's role as the source of original sin. Similarly, even though the Apostle Paul said "there is neither male nor female; for ye are all one in Christ Jesus" (Galatians 3:28), the prescriptions many Christians remember are his admonitions in Ephesians: "Wives, obey your husbands The husband is the head of the wife, just as Christ is the head of the church" (Ephesians 5:22–23).

By accepting the premise of gender difference and hierarchy as Nature's plan, science has also helped to rationalize gender inequity. For example, some nineteenth-century British and American scientists, overlooking the relationship between head and body size, argued that the difference in male and female brain size explained women's natural intellectual inferiority. They also claimed that women's reproductive organs (but not men's) could be harmed by intense intellectual effort.¹⁷ As late as the mid-twentieth century, scientists argued that gender roles (like housework) were based on sex-specific genes and hormones. Even today, the quest to find hard-wired gender dichotomies keeps popping up in scientific research like a Bozo the Clown punching bag, despite counterarguments that debunk or contest that notion.¹⁸

Such gender bias, misogyny, and hierarchization have reinforced gender inequality through the ages. At the same time, those gendered practices and principles have also served as a template for rationalizing inequality, exclusion, hierarchy, and distancing on other grounds, especially on those of ethnicity and race. If God and Nature mandated gender

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¹⁷ Kitch, *Specter of Sex*, 40.

¹⁸ For examples of such counterarguments, see Cynthia Kraus, "What Is the Feminist Critique of Neuroscience?" in *Exploring the Limits of the Neurological Turn*, ed. Jan De Vos and Ed Pluth (London: Routledge, 2016) and Anne Fausto-Sterling, "Against Dichotomy," *Evolutionary Studies in Imaginative Culture* 1, no. 1 (2017): 63–66.

inequality, goes the thinking, then other inequities within the human species—even among men—must be inevitable.

THE GENDERED FOUNDATIONS OF RACIAL FORMATION—A U.S. EXAMPLE

There is persuasive evidence that gender inequality has historically served as a template for justifying racial inequality. A prime example is the gendered story of American racial formation. That story begins with Europeans' journeys of "discovery" to the New World and Africa in the sixteenth and seventeenth centuries. During that period, explorers and merchants influenced popular ideas about the physiological and cultural differences between themselves and the indigenous peoples they encountered. Their journals and missives gradually established a human hierarchy with Europeans at the top, although the word "race" would not fully attain its contemporary meaning until the eighteenth century.¹⁹ Europeans based their claims about other peoples on negative judgements about primitive religions, but they also rested them on judgements about sexual and reproductive practices and the degree of male dominance. From those gendered hierarchies, which were eventually considered God-given, emerged the racial inequalities that have haunted Western societies for 300 years, most notably in the degradations of race-based chattel slavery in the United States in the eighteenth and nineteenth centuries.²⁰

In my book on this subject, *The Specter of Sex: Gendered Foundations of Racial Formation in the United States*, I argue that five principles link gender and racial inequities.

1: A singular male-defined standard can be used to measure other groups. This principle reflects existential inequality, as it turns differences into hierarchies based on prejudgements about human worth. Although what we now call racial differences, such as skin colour, were initially considered indicators of humours, such as bile or phlegm, or results of regional climatic conditions, white maleness increasingly became *prima facie* evidence of superiority among men just as maleness had always been *prima facie* evidence of human superiority. The racialization process was hastened on gendered grounds by the work of François Bernier, who defined four distinct racial groups in 1684, based mostly on his assessment

¹⁹ Kitch, *Specter of Sex*, 32.

²⁰ Kitch, *Specter of Sex*, 15–56.

of women's physical attractiveness in those groups. Others also argued that men's control over women in a given society or subgroup was a marker of civilization. The more such control, the more civilized the people.²¹

2: Visible differences imply hidden and unequal value and capacities. Racial inequality was so tied to the model of gender inequality that, by the seventeenth century, even skin colour had gender connotations. Blackness was a sign of ugliness (the opposite of *fair*, meaning beautiful) and unwomanliness. Physiological and behavioural differences were also linked to civilized and uncivilized sexual practices. As key symbols of a society's value, women's sexual and reproductive comportment could characterize a whole nation. Because dark women seemed to suffer less in childbirth than European women, for example, Africans were declared bestial and, therefore, well suited for slavery's hard, physical labour and perpetual childbearing. Likewise, the sagging breasts of African and Amerindian women became markers of sexual (moral) deviance—yet another sign that an entire people was destined for slavery.²²

3: Dependency proves inadequacy. Without regard to the social practices that imposed a state of dependency, the very fact of dependency has historically been used to justify the inequality of women and marginalized men. For such groups, a dependent nature was seen as a cause, not an effect, of inequality. The recommended remedy for a dependent nature was the tutelage and protection of dominant (white) men.²³ Slavery, of course, represented the epitome of forced dependency, yet it provided the strongest rationale for racism.

4: Science has often supported inequality.²⁴ Nineteenth-century science often conflated so-called scientific evidence of female inferiority with allegedly scientific evidence of black men's inferiority to their white counterparts. Phrenologists, for example, argued that women and black Africans were marked as inferior by the same characteristic—small brains

²¹ Kitch, *Specter of Sex*, 34–37.

²² Kitch, *Specter of Sex*, 30–33.

²³ Kitch, *Specter of Sex*, 42.

²⁴ It would be comforting to think that contemporary science has shaken completely free of gender and racial biases. But critiques like those by Kraus and Fausto-Sterling suggest that biases towards testing for, demonstrating, or at least emphasizing racial and/or gender differences remain, even when degrees of similarity or sameness across social categories far outweigh degrees of difference.

in small heads.²⁵ But such claims did not end with nineteenth-century science. Much contemporary brain research has continued the “pervasive scientific endeavor of sexing the brain,” which has produced “deterministic, reductionist and fixed versions of the human body in a gendered society.”²⁶ The compulsion to define racial difference has produced similar reductionist results, as in comparisons of IQs among racial groups that claim to offer genetically determined measurements of intelligence, even though race itself is not a genetic characteristic.²⁷

5: One rules and the other is ruled. European philosophers from John Locke to Jean Jacques Rousseau and Immanuel Kant declared that women needed men’s regulation in order to maintain the natural order and civilization itself. “Never has a people perished from an excess of wine,” wrote a misinformed Rousseau, “but all perish from the disorder of women.” It was Kant who articulated the important race–gender connection. Having recognized that gender constituted an external marker of interior moral value, Kant concluded that geography and race mattered too—only white European men had the moral capacity for leadership. This link between gender and race did much to circulate the intertwined concepts of male dominance and white supremacy among European intellectuals.²⁸

Other evidence of the foundational role of gender inequality in the construction of racial inequality includes the extent to which non-European males in the United States were feminized (and thereby infantilized) and portrayed as sexual deviants in order to justify their unequal status and treatment. Feminization by dominant whites happened in turn to American Indians, Africans, Asians, and Latinos. The treatment of American Indians by successive white governments over two centuries provides a prime example.

The feminization of American Indian men followed in the tradition of exaggerated European self-regard, rooted in gendered norms. As beard-growing humans, eighteenth-century Europeans considered men without facial hair to be feminine and therefore inferior. Beards, sweat, and semen were considered signs of men’s capacity for heat, which enabled them to

²⁵ Kitch, *Specter of Sex*, 40.

²⁶ Kraus, “Feminist Critique,” 106.

²⁷ See, for example, Richard Herrnstein and Charles Murray, *The Bell Curve* (New York: Free Press, 1994).

²⁸ Kitch, *Specter of Sex*, 24–25.

resist women's coldness. Because Europeans enforced gender role distinctions in behaviours, dress, and demeanour in their own societies, they regarded peoples with minimal distinctions as uncivilized. By the nineteenth century there was clear evidence that the premise of gender dimorphism was propping up theories of racial ranking with regard to American Indians in service to an alleged natural order.²⁹

Having driven many tribes from their lands onto reservations, from the 1830s through the 1880s, the U.S. government treated subdued tribes as dependants, subject to the same kind of coverture still being imposed on American women, and it held Indians responsible for their dependence. Government policies kept Indian lands under federal protections, outlawed many Indian religious and kinship ceremonies, and imposed Western gender standards for bodies (clothing and hair), sexual behaviour, and families, in the service of controlling Indians' language and culture.³⁰ Whites cynically regarded these efforts as necessary for the protection of native peoples for their own good. They did not acknowledge that the white man's government was what Indians most needed protection from.

THE INEQUALITY OF PROTECTION: FROM COVERTURE TO SEXUAL HARASSMENT

The history of American Indian inequities has clear links to a component of gender inequality that can be called *protective inequality*, that is, a form of inequity deliberately imposed for the putative benefit of the unequal. Taxonomies of global inequalities seldom include that category, but protective inequality is key to the history of gender inequality. It rests on the misogynistic prejudgement of all women as ill-equipped to be men's equals because they are innately weak, frivolous, and irrational (among other deficiencies). As a result, women do not belong in the spaces that men, as gold-standard humans, rightfully occupy, and they need men's protection and firm guidance to prevent harm to themselves and society.

Although women have made important gains in access to money, careers, education, and social status over the centuries, tenets of protective gender inequality persist. Men also continue to benefit from protective gender inequality, including through reduced competition for resources and prestige, support for male egos and entitlements, and detachment

²⁹ Kitch, *Specter of Sex*, 33, 37, 39–41.

³⁰ Ibid.

from all things deemed feminine, such as emotions and domestic relationships and duties. In other words, the concept of protective gender inequality still fuels misogyny and fear of the feminine as it also enables male privilege and denies women access to the means for fulfilment and success. As Elizabeth Cady Stanton said in 1848, woman is “protected” by man from pursuing “all the avenues to wealth and distinction which he considers most honorable to himself.”³¹

The concept and practice of protective gender inequality connect two historical “dots” that may at first glance seem unrelated but actually exist on a continuum. The following discussion will demonstrate a linkage between the protectionist legal principle of *coverture*—a legacy of British Common Law that dominated American jurisprudence from the eighteenth to the early twentieth century—and the historical and contemporary pervasiveness of *sexual assault* and *harassment*.

COVERTURE

Coverture came to the American colonies via British Common Law. It institutionalized the definition of women as property, first of their fathers and then of their husbands. Its professed sentiment was protection, based on “a legal definition of womanhood as fragile and unsophisticated, thereby requiring protective cover.” By judging women as “unable to operate in society unaided” (i.e., *femes covert*), coverture mandated the dependency on men that came to define the female sex. That mandated dependency effectively robbed a woman of her political, financial, and legal personhood and was touted in the United States as protection from the “dangerous snare” of gender equality. Both British Common Law and American coverture laws reinforced women’s non-personhood by asserting that a male (*persona ficta*) was head of the household and the primary actor in social relations (because of his “superior education, business skills, and judgment”) and their legal definition of the husband and wife as one person (the husband).³²

Perhaps it is not coincidental that British Common Law was also racialized at its core. Initiated after the Norman Conquest of 1066, British

³¹ Linda K. Kerber, “Why Diamonds Really Are a Girl’s Best Friend: Another American Narrative,” *Daedalus* 141, no. 1, On the American Narrative (Winter 2012), 97.

³² Maggie Cheu, “Now and Then: How Coverture Ideology Informs the Rhetoric of Abortion,” *Texas Journal of Women and the Law* 22, no. 1 (2012): 116–117.

Common Law resembled rules used by Germanic peoples of Northern Europe. Centuries later, the British monarch, Henry VIII, reinvigorated British claims to Teutonic (i.e., white) origins, embodied in their Common Law, as a symbol of Britain's Reformation.³³ He could, therefore, distinguish British subjects from the swarthy adherents of what he dubbed a Southern European institution, the Roman Catholic Church.

Coverture's pretext of protection generated a vicious cycle in which women's dependency was used as evidence of feminine weakness, which in turn justified additional protection. This cycle was not broken in the United States even by suffrage. After the passage of the Nineteenth Amendment to the U.S. Constitution in 1920, which granted American women the vote in federal elections, most states required additional statutes to include women in their definitions of *elector*. In addition, the franchise did not bestow independent citizenship (i.e., separate from the citizenship of their husbands) on married American women, a status long enjoyed by their British counterparts. That aspect of coverture was not rescinded until the passage of the Equal Nationality Act in 1934.

Even further into the twentieth century, American women were barred from jury duty and otherwise excluded from the halls of political decision-making because men continued to doubt that women could be discreet or make responsible decisions. Officials also continued to rank the importance of married women's obligations as wives and mothers above their obligations as citizens. As late as 1961, for instance, Florida's assistant attorney general justified his state's exclusion of women from jury duty on the grounds that they were required to be home to cook dinner before a juror's workday ended.³⁴

So powerful were such gender stereotypes (the foundation of *hierarchization*) in the public arena that it was not until 1975 (*Taylor v. Louisiana*) that the U.S. Supreme Court ruled in a criminal rape and kidnapping case that an all-male jury did not constitute equal protection. And it took until 1994 (in *J.E.B. v. Alabama Ex Rel. T.B.*) for the Court to rule that prospective jurors could not be excluded with peremptory challenges on the basis of sex. (In a telling contrast, the prohibition against excluding male jurors on the basis of race was imposed by the Court in *Batson v. Kentucky* in 1986.)

³³Hannis Taylor, *The Origin and Growth of the English Constitution*. Part II: *The After-Growth of the Constitution* (Boston: Houghton, Mifflin, 1898), 133–135.

³⁴Kerber, "Diamonds," 94, 96–97.

The economic impact of coverture was significant. Before the state-by-state passage of Married Women's Property Acts in the United States from 1839 to 1913, women in many states were not allowed to keep or control their own wages, sign contracts or own businesses in their own names, inherit property, keep control of the property and worldly goods they brought into their marriages, or have custody of their children, who were considered part of the marital property that men controlled. American women's long-standing dependent citizenship status potentially deprived them of the right to reside in and partake of economic and other opportunities in their native land.³⁵

The fact or threat of economic insecurity, which often depended on the whims, inclinations, or perversions of males in charge of their destinies, was a constant peril for many women in the United States and the United Kingdom for hundreds of years. In the United States, coverture codified gender inequality into the foundations of society, which, in turn, systemized American women's existential inequality, exploitation, exclusion, and limited access to the tools required for achieving resources equality.

As serious as it was, however, the economic impact of coverture was not necessarily its most egregious effect. Coverture also entailed a husband's right to control and enjoy his wife's body and sexual and domestic services. That meant he had a right to discipline or punish his wife if she did not comply with his wishes. This implicit right, justified on the grounds that women and society at large needed protection from women's weaknesses, irrationality, and undisciplined proclivities, became the basis of much American jurisprudence and of American culture.³⁶

SEXUAL VIOLENCE AND HARASSMENT

While defining women as marital property, subject to men's discipline, coverture also laid the groundwork for devaluing all women's personhood, agency, and bodily integrity. Over time, that conceptual heritage arguably fostered today's gender-based violence "problem of epidemic

³⁵ Also unlike British women, American women under coverture did have the right to their husband's support and to protection from a husband's physical violence, if it went too far. They were also entitled to one-third of their husbands' estates for life.

³⁶ Janet Calvo, "A Decade of Spouse-Based Immigration Laws: Coverture's Diminishment, but Not Its Demise," *Northern Illinois University Law Review* 24 (2004): 160, 162–163.



Fig. 1 This photograph was taken at a #MeToo rally and march on the Walk of Fame in Hollywood, California, USA, on November 12, 2017. The location was significant because male movie executives and performers were among the first powerful men in the United States to be charged in a systematic way with egregious sexual misconduct. Those charges did much to revive the #MeToo movement, initiated in 2006 by black activist Tarana Burke (first row, centre), and to garner public attention. Acknowledging the founding of the movement 12 years earlier, photographer Jenny Lynn entitled the image “Following Tarana’s Lead.” The #MeToo movement exemplifies the linked issues embedded in the concept of coverture that are discussed in “Protection and Abuse.” The photo is reprinted here with the permission of the photographer (@Steady Jenny)

proportions.”³⁷ Indeed, this outcome is among coverture’s most lasting legacies, as laws and customs designed to protect women also set the stage for many types of violence against them. Women’s special vulnerability to partner violence today provides further evidence of coverture’s legacy of male privilege within marriage (Fig. 1).

Despite romantic notions to the contrary, intimate relationships and marriage are dangerous contexts for female survival, owing in part to

³⁷ Rebecca M. Loya, “The Role of Sexual Violence in Creating and Maintaining Economic Insecurity Among Asset-Poor Women of Color,” *Violence Against Women* 20, no. 11 (2014): 1299.

coverture's legacy. And the consequences of that legacy can be lethal. In 2015, for example, one-third of female murder victims in the United States (as compared with one-twentieth of male murder victims) were killed by intimate partners. That statistic gets even more dramatic when put another way: as of 2018, 80 per cent of people gunned down by intimate partners were women.³⁸ Domestic partner violence also spills over into the workplace, as 22 per cent of workplace homicides with women as victims were committed in 2015 by current or former intimate partners.³⁹ This lopsided murder rate represents a dramatic indicator of gender inequality in the United States, as well as the dark underside of an ethos of protection.

Sexual harassment is a close cousin to the gender-based physical violence that coverture has historically facilitated and even encouraged. In Australia, sexual harassment is defined as "demands for sexual favours as a condition of employment, or requests for dates, comments, jokes, or other behaviour that have the collective effect of creating a hostile work environment for the targets of such behaviour."⁴⁰ In the United States, sexual harassment was first defined as a form of sex discrimination under Title VII of the 1964 Civil Rights Act. The U.S. Equal Employment Opportunity Commission (EEOC) defines it as "unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature" that interferes with one's employment or work performance or creates a "hostile or offensive work environment."⁴¹

Sexual harassment can be seen as a legacy of coverture on a number of levels. First, women are its biggest targets. Although exact numbers of victims are difficult to determine, a *New York Post* survey in 2017 revealed that 60 per cent of American women reported having been targets of sexual harassment. That number jumped to 80 per cent when respondents were asked whether they knew of a woman who had been sexually harassed.

³⁸ Jenavieve Hatch, "11 Statistics That Remind Us Gun Violence is a Women's Issue," *Huffington Post* (June 2, 2017). https://www.huffingtonpost.com/entry/gun-violence-women_us_5931668be4b0c242ca232990.

³⁹ Loya, "Sexual Violence and Economic Insecurity," 1309.

⁴⁰ Laura Brunner and Maryanne Dever, "Work, Bodies and Boundaries: Talking Sexual Harassment in the New Economy," *Gender, Work and Organization* 21, no. 5 (2014): 460.

⁴¹ U.S. EEOC 2011, cited in Heather McLaughlin, Christopher Uggen, Amy Blackstone, "Sexual Harassment, Workplace Authority, and the Paradox of Power," *American Sociological Review* 77, no. 4 (2012): 626.

Only 20 per cent of men reported being targets of sexual harassment.⁴² That result can be compared to EEOC surveys of all American employees between 2010 and 2016, in which only 25 per cent of workers of both sexes reported having had experiences of sexual harassment at work. That number rose to 40 per cent when employees were asked whether they had experienced unwanted sexual attention or sexual coercion.⁴³

Such statistics mean that sexual harassment is not simply a gendered offence; it is primarily an offence committed by men against women. Moreover, all evidence suggests that sexual harassment operates in the same sphere of male dominance designed to control women's bodies, agency, and access to status and economic prospects as coverture once did. The magnitude of sexual harassment contributes to scholars' conclusion that it is less about sexual desire than it is about power, specifically the power to undermine a person's sense of autonomy and agency by reducing her (or, occasionally, him) to a sexual object. In short, "men's harassment of women has more to do with keeping women 'in their place' and marking their own turf than with sexual attraction or arousal."⁴⁴

Second, most of the reported sexual harassment against women—69 per cent according to the *Post* poll—occurs at work. That means sexual harassment is also a multilayered economic issue, like coverture. Sexual harassment's sexualized tactics amount to mobilizing masculinity to undermine or place conditions on women's access to the benefits of the workplace.⁴⁵ Such tactics define women as inherently disruptive of the workplace environment: If it were not for women's presence, goes the stereotype, no one would be thinking about bodies, emotions, or sex on the job (men report perceiving themselves as emotionless, genderless workers).⁴⁶ Women are thereby cast as outsiders in a rightly male-dominated sphere and reduced to instrumental roles in male-defined purposes. Thus, like coverture, sexual harassment expresses underlying unequal power relationships and sense of male entitlement to women's

⁴² Bob Fredericks, "60 Percent of Women Have Been Sexually Harassed: Poll," *New York Post* (November 21, 2017). <https://nypost.com/2017/11/21/60-percent-of-women-have-been-sexually-harassed-poll/>.

⁴³ Lam Thuy Vo, "Data on 20 Years of Workplace Sexual Harassment Claims." *Buzzfeed* (December 5, 2017). https://www.buzzfeed.com/lamvo/eec-sexual-harassment-data?utm_term=.qxyc235D7#.ywx296xE3.

⁴⁴ McLaughlin, Uggen, and Blackstone, "Paradox of Power," 635.

⁴⁵ McLaughlin, Uggen, and Blackstone, "Paradox of Power," 626.

⁴⁶ Brunner and Dever, "Work, Bodies and Boundaries," 463.

bodies and lifeways that threaten women's freedom and access to resources and opportunities.

Like coverture, sexual harassment is also about protection, but it is typically male privilege that is really being protected. Multiple studies indicate that women who appear to be violating gender norms, either by performing gender in stereotypically masculine ways and/or by encroaching on men's sense of entitlement to workplace dominance, are highly susceptible to sexual harassment. This effect occurs most often in labour sectors, such as construction or mining, characterized by a high proportion of male workers, or in sectors in which women have achieved supervisory or other positions of power. In both situations, "sexual harassment may ... act as a tool to police appropriate ways of 'doing gender' in the workplace and to penalize gender nonconformity." (Men who are sexually harassed by other men are often considered effeminate and therefore unworthy of workplace status.) This point was affirmed in one study, where a female construction project manager was told by a subcontractor that "this isn't the job for a woman."⁴⁷

At the other end of the occupational spectrum, women managers and bosses may be seen by their male subordinates and peers as undeserving of their positions because their "natural" feminine qualities impede their capacity to lead. Rather than being perceived in the context of an organization's formal lines of authority, women managers and corporate officers are frequently scrutinized through the lens of gender stereotypes and hierarchies and subjected to punitive treatment and harassment designed to subvert their power. Here, too, male entitlement and masculinity underlie sexual harassment, making women equally unwelcome in high-status, well-paid white-collar jobs to which men feel entitled.⁴⁸ In keeping with the precepts of coverture, men's expressions of displeasure at that affront tend to be sexualized.

To the extent that harassers justify their behaviour to themselves as serving women's best interests—perhaps by impeding their progress towards an unsuitable goal—this sense of male entitlement resembles the protective inequality of coverture. Likewise, sympathetic men who help women avoid harassing situations might mistakenly see themselves as protectors, even as their actions may disempower the women they hope to protect. When a Hollywood executive was being groped by a prospective

⁴⁷ McLaughlin, Uggen, and Blackstone, "Paradox of Power," 635.

⁴⁸ Brunner and Dever, "Work, Bodies and Boundaries," 460.

client at a business dinner, for example, her male colleagues urged her to leave the table while they stayed to conclude the deal. By treating the offender as an isolated “bad apple,” their protective act, even if well-meant, left the culture of harassment and gender inequality intact. Excluding the female executive from the scene for her protection also undermined her agency (and maybe her commission).⁴⁹

Although much of the data on sexual harassment is based on white women’s experience, evidence suggests that women of colour are even more likely to experience sexual harassment than white women are, not only in male-dominated jobs at both ends of the labour spectrum, but also in the increasingly sexualized service industry jobs, such as hotel maid, waitress, or kitchen worker, to which many women of colour are relegated.⁵⁰ That problem is what motivated black activist Tarana Burke to begin the #MeToo movement back in 2006, although it took 12 years and the testimony of white female movie stars to garner the public’s attention.⁵¹

Harassment directed at women of colour is even more egregious and economically harmful for them than it is for white women, for two reasons. First, the harassment they receive is intersectional—race and gender-based abuse combined.⁵² Thus, male entitlement intersects with the entitlements of whiteness to exacerbate the humiliating and threatening effects of harassment.⁵³ The sexual harassment of women of colour thereby exemplifies the gendered foundations of racial formation, which exacerbate the power dynamics underlying the offence.

Second, women of colour have less to gain from reporting sexual harassment than do white women, again for two reasons. The first reason is that the service industry where most are employed has few post-assault or post-harassment resources for lodging complaints or imposing remedies. The second reason is that women of colour are very likely to suffer

⁴⁹ McLaughlin, Uggens, and Blackstone, “Paradox of Power,” 642.

⁵⁰ Brunner and Dever, “Work, Bodies and Boundaries,” 459; Dave Jamieson. “‘He was masturbating... I felt like crying’: What housekeepers endure to clean hotel rooms,” *Huffington Post* (November 18, 2017). https://www.huffingtonpost.com/entry/housekeeper-hotel-sexual-harassment_us_5a0f438ce4b0e97dffd3443.

⁵¹ “Why So Few Women of Color in Wave of Accusers? ‘Stakes Higher,’” *The Associated Press* (November 18, 2017). <http://abcnews.go.com/amp/Entertainment/wireStory/sex-harassment-scandal-grows-minorities-seldom-involved-51242332>.

⁵² Chai R. Feldblum and Victoria A. Lipnic, “Select Task Force on the Study of Harassment in the Workplace,” EEOC (June 2016). https://www.eeoc.gov/eeoc/task_force/harassment/report.cfm#_Toc453686302.

⁵³ Brunner and Dever, “Work, Bodies and Boundaries,” 460.

from resources inequality, caused both by asset disparities between races and by their categorically lower wages. Thus, women of colour have no financial cushion to fall back on if they attempt to avoid or recover from harassment.⁵⁴ That is why “women of color ... have to think a little bit differently about what it means for them to come forward in cases of sexual harassment,” according to Tarana Burke.⁵⁵

As these examples illustrate, sexual harassment, like coverture, is designed to control women’s access to and control of resources, sometimes under the guise of protection. It can drive women out of the workforce altogether or segregate them into less skilled and less lucrative female-specific employment.⁵⁶ For women of colour, persistent harassment based on “implicit attitudes that operate below cognitive awareness, related to both gender and race” have discouraged their pursuit of science, technology, engineering, and mathematics fields, which is a key reason why their numbers in disciplines like astronomy are decreasing as white women’s are increasing.⁵⁷ But even when sexual harassment does not produce such dramatic effects, it very often forces targets who can afford it to leave their jobs. According to one study, 79.5 per cent of women plagued by sexual harassment changed jobs within two years, compared with 53.5 per cent of non-targets.⁵⁸

Frequent job changes tend to derail long-term career opportunities and trajectories, especially for highly skilled women in their twenties and early thirties, because it produces cascading negative consequences—“from unemployment, to job search, retraining, and reemployment, ‘often in a job of inferior quality and lower earnings relative to the job lost.’” Sexual harassment therefore disrupts the career trajectory of steady jobs that usually propels wage growth. Even women who are not direct targets of sexual harassment but who remain in toxic work environments can feel

⁵⁴ Rebecca M. Loyola, “The Role of Sexual Violence in Creating and Maintaining Economic Insecurity among Asset-Poor Women of Color,” *Violence Against Women* 20, no. 11 (2014). <http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.844.5271&rep=rep1&type=pdf>.

⁵⁵ “Why So Few Women of Color?” *Associated Press*.

⁵⁶ Brunner and Dever, “Work, Bodies and Boundaries,” 460.

⁵⁷ Kathryn B.H. Clancy, Katharine M.N. Lee, Erica M. Rodgers, and Christina Richey, “Double Jeopardy in Astronomy and Planetary Science: Women of Color Face Greater Risks of Gendered and Racial Harassment,” *Journal of Geophysical Research: Planets* 122, no. 7 (2017): 1611.

⁵⁸ Heather McLaughlin, Christopher Uggen, Amy Blackstone, “The Economic and Career Effects of Sexual Harassment on Working Women,” *Gender & Society* 31, no. 3 (2017): 342.

harassment's economic effects. Such women may suffer retaliatory career damage if they complain about or even notice sexual harassment or misogyny in the workplace.⁵⁹

For all groups, the effects of sexual harassment constitute a key reason why analysts think women still average only 80 per cent of men's earnings. From blue-collar workers to service workers to CEOs, the career disruptions and stagnations caused by sexual harassment can diminish women's career prospects for the rest of their lives, as coverture once did. Such effects of harassment are even more challenging for women than having to balance work demands with raising children.⁶⁰ The men who experience sexual harassment do not suffer the same effects. Fewer leave their jobs or have their careers truncated because of sexual harassment.

CONCLUSION

This chapter has identified the roots of gender inequality in the attitudes, customs, and stereotypes used to justify gender hierarchies and the exploitation and exclusion of women—often on the pretext of protection—from the resources and opportunities required for them to thrive fully or achieve equality with men. In some cultures, the deprivations also include access to the nourishment, education, healthcare, and economic resources required for constructing a decent life. Thus, most of the world's women experience some degree of vital inequality, existential inequality, and/or resources inequality. Those compounded gender-based inequities have allowed even advanced industrial societies to define women in instrumental terms, to promote male entitlement to women's bodies and lifeways, and to undermine women's pursuit of social success and distinction.

Gender inequality is also characterized by the sexualized and sometimes violent reactions targeted at women who do not conform to a culture's gender expectations and prescribed subordinate positions. The historical link between coverture and sexual violence and harassment directed at women illustrates the complex interaction between gender stereotypes and ideologies, including assumptions about male superiority and

⁵⁹ McLaughlin, Uggen, and Blackstone, "Economic and Career Effects," 336–337.

⁶⁰ Rebecca Greenfield and Laura Colby, "Sexual Harassment Explains a Lot About Why Women Get Paid Less," *Bloomberg Business* (January 4, 2018). <https://www.bloomberg.com/news/articles/2018-01-04/sexual-harassment-explains-a-lot-about-why-women-get-paid-less>.

entitlement, and the pretext of protecting women that continues to sexualize male resistance to women's achievements and agency and to impede genuine gender equality.

Because they are so widespread and have persisted for so long, gender inequities might seem endemic to the human condition. Besides, it is tempting to regard anything related to gender as "natural" or biologically determined. But an equally strong argument can be made that the virtually universal, visceral resistance of women and some men to the sexism and misogyny that feed gender inequality is also a compelling indicator of the natural human condition.

Moreover, gender itself is not a natural fact. Rather, it is a socially constructed classification system imposed on a variety of human phenotypes, sexualities, and identities for the purpose of distinguishing and stratifying human beings in the service of social, political, and economic goals and power relationships. Catharine MacKinnon once argued that the concept of gender may simply be a way to "sexualize inequality between men and women."⁶¹ That is, mandated gender hierarchies may be a pseudo-naturalized rationale for justifying male dominance, eliminating female competition with men's aspirations, obfuscating women's social and cultural importance, and diminishing women's power by pitting them against one another through their attachments to different groups of men. In those ways, gender hierarchy offers a model for naturalizing other power relationships that produce inequalities.

That foundational role explains why tackling gender inequality is necessary for addressing many other systems of inequality, such as those based on race, that are rooted in perceived or imagined differences among people. The resulting social hierarchies create the material and conceptual inequities that further empower the powerful, oppress the oppressed, and increase the vulnerability of the vulnerable. Nature did not mandate that spiral of inequality; humans did. And humans can do better.

⁶¹ Catharine MacKinnon, *Feminism Unmodified: Discourses on Life and Law* (Cambridge: Harvard University Press, 1987), 6–7.

Inequality in an Age of Global Capitalism



Brewing Inequalities: Kenya's Smallholder Tea Farmers and the Developmentalist State in the Late-Colonial and Early-Independence Era

Muey C. Saeteurn

Tea production is big business in Kenya. Tea cultivation is especially significant for Kenyan smallholder farmers residing in the western part of the country, in places like Kericho, who often produce more leaves than the multinational-owned plantation estates in the region such as Unilever. For example, Kenya's Agriculture, Fisheries, and Food Authority reported in 2017 that smallholder farmers were responsible for about 60% of the national production.¹ Kenyan smallholders' status as leading tea leaf producers is remarkable given the fact that the colonial government had prevented the majority of African farmers from growing tea until the mid-1950s. The late-colonial regime's policy reversal essentially made it so that smallholder "progressive" Kenyan farmers had access to capital and agricultural resources to practise cash crop farming.

¹"Kenya Tea Industry Performance Highlights for December 2017," Agriculture, Fisheries and Food Authority (AFFA), accessed on 27 February 2017, <http://tea.agricultureauthority.go.ke/december-2017/>.

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These benefits were extended into the postcolonial era by the Kenyatta regime that was intent on growing Kenya's agrarian-based economy.

Yet, the national effort to expand tea growing beyond the plantation estates in the late 1950s and throughout the 1960s did not mean that ordinary Kenyans readily cultivated tea on their own terms. The smallholder farmers' new privileges, in effect, presented challenges for plantation owners who had anticipated to continue dominating the market with their estate-grown leaves irrespective of Kenya's changing political landscape. Thus, this historical analysis explores the ways in which the international community, namely the foreign tea-estate owners, and the Kenyan government sought to regulate smallholder tea production during the decolonization period and early-independence era. While the initial government regulations and cooperate policies placed Kenyan growers at a disadvantage such as limiting the number of tea stumps and financial loans available, this chapter argues that such deterrents hardly kept smallholder farmers from participating in the industry and thereby dominating tea leaf production by the twenty-first century (Fig. 1).



Fig. 1 “Plucking tea to a measured height and pruning the shrubs at Gaikuyu in Kenya.” November 1960. Courtesy of The World Bank Group Archives

DISCUSSIONS ABOUT SMALLHOLDER TEA FARMERS

As scholars have argued elsewhere, when Kenya's African smallholder tea farmers in the late 1950s began bringing their leaves to market for export to places like Britain, they did so on unequal footing. Colin Leys, Nicola Swainson, David Fieldhouse, and Steven Langdon have each illustrated in their respective works the ways in which multinational corporations created and maintained their monopoly over Kenya's agricultural sector throughout the twentieth century. Specifically, as this body of literature reveals, representatives from Brooke Bond and James Finlay corporations, both subsidiaries of British-based firms, worked diligently throughout the interwar period to secure profitable international trade agreements and protections from the Kenyan government. Their dealings with the colonial state paid dividends, because it resulted in the dislodgement of the small-scale European settler producers from the market and, ultimately, prevented African smallholder farmers from individually entering into East Africa's tea market.² The discussions about the monopolistic elements of foreign corporations and the rise of multinational capital in Kenya's export industry have been furthered by scholars whose work problematizes the role of the state during the era of decolonization in Kenya. Robert Tignor and Cosmas Ochieng, for instance, focus on the power of the colonial state and how it helped as well as hindered the growth of smallholder Kenyan farmers and industrialists in the post-colony.³

² Colin Leys, *Underdevelopment in Kenya: The Political Economy of Neo-Colonialism* (Berkeley: University of California Press, 1975); David K. Fieldhouse, *Unilever Overseas: The Anatomy of a Multinational 1895–1965* (Stanford: Hoover Institute Press, 1978); Nicola Swainson, *The Development of Corporate Capitalism in Kenya, 1918–1977* (Berkeley: University of California Press, 1980); Steven W. Langdon, *Multinational Corporation in the Political Economy at Kenya* (New York: St. Martin's Press, 1981).

³ Robert L. Tignor, "Race, Nationality, and Industrialization in decolonizing Kenya, 1945–1963," *The International Journal of African Historical Studies* 26, no. 1 (1993): 31–64; Cosmas Milton Obote Ochieng, "The Political Economy of Contract Farming in Tea in Kenya: The Tea Development Agency (KTDA)," in *The Comparative Political Economy of Development: Africa and South Asia*, Judith Heyer and Barbara Hariss-White, eds., (London: Routledge, 2010), 136–158.

Following this lead, this chapter examines how the intensification of tea production amongst the local rural population became a paramount concern for Kenya's leaders (British and Kenyan) and its foreign capitalist partners during its transition from colony to an independent nation-state in the late 1950s and early 1960s. It outlines some of the conditions and tensions the Kenyan government, along with the multinational corporations, either created or exacerbated at the time in order to keep African smallholder tea producers under their control. Smallholder tea producers were indeed at a disadvantage from the beginning of their incorporation into the market largely due to the policies and standards set by the Tea Authority, as well as their inability to find cheap reliable manual labourers. While this chapter falls in line with the aforementioned scholarship by underscoring the unevenness in terms of productive capacities and market access that evolved between ordinary African smallholder farmers and foreign capitalists, it maintains that Kenyan smallholder tea farmers who emerged in the late-colonial and early-independence years refused to allow the multinational corporations to dominate the industry. By taking advantage of opportunities afforded them as a result of the changing political climate, smallholder African Kenyan tea producers became formidable competitors out-producing multinational corporations.

An examination into the types of restrictions that ordinary smallholder African tea producers faced during Kenya's decolonization period and independence era also expands our understanding of global inequality. Recent scholarship on inequality, particularly by economists working on the subject matter, has focused primarily on income and wealth in contemporary societies. Moreover, the literature has privileged analyses that explore how individuals living in top-income (mostly Western) nation-states have experienced a surge of inequality in recent history.⁴ This main focus on wealthy countries and their citizenry, consequently, overshadows the various types of disparities that surely exist amongst peoples across time and space, especially those inequalities present in less affluent and non-Western societies. There were indeed

⁴Thomas Piketty, *Capital in the Twenty-First Century* (Cambridge: Harvard University Press, 2014); Joseph E. Stiglitz, *The Price of Inequality: How Today's Divided Society Endangers Our Future* (New York: W.W. Norton & Company, 2012).

significant discrepancies between central and western Kenyan small-scale agriculturalists, for example, in terms of their access to tea stumps and government farming subsidies in the late-colonial and early-independence years.

Even when they widen their focus to include non-Western countries and expand their temporal scope, scholars of inequality tend to devote their attention to studying income distribution and changes in the Gini-coefficient. There is still lack of attention paid to the multitude of inequalities experienced by inhabitants who lived as colonial subjects and, subsequently, as citizens of nation-states in the so-called global South.⁵ Hence, in recognizing that inequality is not a strictly economic phenomenon but that, as Kenneth McGill writes, “inequality occurs in all kinds of forms,” one can better understand the host of constraints faced by individuals and groups of people across national borders and throughout history.⁶

The economics-only approach to inequality also does little to show how ordinary people in the past and present work to counter the many different types of inequalities they face as a result of their race, gender, and/or ethnicity. Studies that are too concerned with the inequality of wealth and income within and across national borders miss an important point: poor people on the ground have indeed been active in confronting and navigating their unequal (social) status. For instance, by selling their tea on the black market, ambitious smallholder Kenyan producers circumnavigated the market constraints placed in front of them by the Kenyan state and its powerful multinational corporate allies who were intent on keeping their local competition at bay. A study of the ways in which ordinary African farmers endeavoured to become successful tea producers in late-colonial and early-independent Kenya, consequently, humanizes contemporary analyses of global inequality, capitalism, and development.

⁵ Anne Booth, “Living Standards and the Distribution of Income in Colonial Indonesia,” *Journal of Southeast Asia Studies* 19, no. 2 (September), 310–334; Arne Bigston, “Welfare and Economic Growth in Kenya, 1914–76,” *World Development* 14, no. 6, 1151–1160.

⁶ Kenneth McGill, *Global Inequality: Anthropological Insights* (Toronto: University of Toronto Press, 2016), 2.

PAVING THE WAY FOR SMALLHOLDER TEA PRODUCTION

While a select few Kenyan communities in places such as Kisii, Embu, and Meru regions in central Kenya were already growing cash crops like coffee for the market as early as the 1930s, the production of tea in the so-called native reserves did not officially begin until 1950. The late-colonial government's pilot tea-growing scheme for Kenyan African farmers, however, was limited to 35 acres and only grown in what was then known as the Nyeri District located in the central region of Kenya. Not until the establishment of the Special Crops Development Authority in 1960 would the Kenyan late-colonial government expand its tea-planting programme into other agriculturally suitable African areas.⁷ Consequently, it was the multinational estates and European settler large-scale farmers who had historically enjoyed exclusive cultivation rights to tea in colonial Kenya. Export crops like tea and coffee, in fact, did not become readily accessible to ordinary African Kenyan farmers until 1954 when the late-colonial government implemented its *Plan to Intensify the Development of African Agriculture*, also known as the "Swynnerton plan" after its author Sir Roger Swynnerton, the then Assistant Director of Agriculture.⁸

Backed by a £5 million British government loan, the Swynnerton plan was a five-year agricultural development initiative that sought to develop Kenyan African agriculture by reforming customary land tenure practices and eliminating restrictions on cash crops. Restrictive agrarian and land policies had been placed by the colonial government in the effort to appease vocal European settlers who depended on African field labourers to work on their plantation estates and who were threatened by the productivity of Kenyan farmers. Rural Kenyans, in other words, were to help increase the yields of the settler farming community rather than pose a direct threat to the European farmers' position by producing lucrative

⁷ Robert M. Maxon, *Going Their Separate Ways: Agrarian Transformation in Western Kenya, 1930–1950* (Cranbury, NJ: Associated University Press, 2003); "Application for Financial and Managerial Assistance with the Development of Tea Factories in the African Lands of Kenya, 8 December 1958," ACW/26/54: Development of Tea Growing and Tea Factories in Africa Areas, National Archives, Nairobi, Kenya; Kenya Government, "Tea Ordinance (NO. 61 of 1960)," *Department of Agriculture Report, 1960* (Nairobi, Kenya: Government Printer, 1960), TEA/TEC/CULT/3/67: Tea Development in Nyanza.

⁸ R.J. Swynnerton, *Plan to Intensify the Development of African Agriculture in Kenya*, (Nairobi, Kenya: Government Printer, 1954), 10.

cash crops. Through the implementation of restrictive agrarian and land policies, which prevented the majority of Kenyan farmers from growing export crops, the Kenyan government kept Africans from becoming fully incorporated into the formal economy as large-scale commercial farmers throughout much of the colonial era. Unsurprisingly, a main cause of economic inequality in postcolonial Kenya stems from what Simon Reid-Henry notes as “past political choices that have built up over time and the leverage this grants some people over others.”⁹

It was not until the mid-1950s, under the Swynnerton plan, that the Kenyan government lifted the restrictions barring most African farmers from growing cash crops. In theory, the agricultural development plan was to raise the social-economic standing of a select group of rural “progressive” African farmers whom the Kenyan government encouraged to practise small-scale commercial agriculture on privately owned consolidated and planned farming units.¹⁰ This plan specifically sought to alleviate some of the major grievances that resulted in the Mau Mau uprising, such as landlessness and unemployment, felt particularly by the Kikuyu community.¹¹

The British coined the term “Mau Mau” to describe the militant landless squatters and disgruntled land-poor individuals who formed the Kenya Land Freedom Army (KLFA). The term had no meaning in any Kenyan language. The Mau Mau conflict was essentially a Kikuyu civil war between the KLFA, a group organized around the bitterness of landlessness, and the land-rich “loyalist,” many of whom were mission-educated Christians and “chiefs.”¹² The KLFA demanded the return of land title deeds, especially access to the European highlands. The conflict began in 1952, at which time the Kenyan government declared a State of Emergency. Much of the Mau Mau activities were situated in the Central Province. The Kenyan government eventually ended the insurgency by 1955 with the

⁹ Simon Reid-Henry, *The Political Origins of Inequality: Why a More Equal World Is Better for Us All* (Chicago: University of Chicago Press, 2015), 21.

¹⁰ For a detailed analysis of the Swynnerton plan's role in cultivating the smallholder agricultural sector, see Anne Thurston, *Smallholder Agriculture in Colonial Kenya: The Official Mind and the Swynnerton Plan*, (Oxford, UK: Rhodes House Library Press, 1987).

¹¹ David M. Anderson, *Histories of the Hanged: The Dirty War in Kenya and the End of Empire* (New York: W.W. Norton, 2005).

¹² David Anderson, *Histories of the Hanged: The Dirty War in Kenya and the End of Empire*, 119–181.

help of British troops yet the late-colonial regime did not officially dissolve the State of Emergency until 1960.

Though Mau Mau was a civil war fought largely between land-rich and land-poor Kenyans, the insurgency rattled the European settler community. More importantly, the Mau Mau events convinced the Kenyan colonial regime that it needed to pay closer attention to the plight of ordinary Kenyans. The ambitious Swynnerton plan was therefore a counter-insurgency tactic adopted by the Kenyan government and the British Colonial Office in hopes of placating frustrated, unemployed, and landless Kenyans who posed a direct challenge to the colonial system and thereby the status quo. In revolutionizing African land tenure and increasing the production capacity of smallholdings, the Swynnerton plan aimed to foster a group of “progressive” smallholder commercial farmers who would politically stabilize the countryside by providing jobs for desperate and landless Kenyans who may have been sympathetic to the Mau Mau insurgents.¹³

Consequently, smallholder Kenyan African farmers, namely those individuals with consolidated (and registered) farm units between 7 and 10 acres in size were encouraged by British agricultural officers like Leslie H. Brown, who served as the chief agriculturalist during Kenya’s transition and early-independence years, to actively participate in the colony’s export economy. Yet, despite finding themselves eligible to cultivate the lucrative cash crops in the late-colonial era, the smallholder African farmers quickly learned that this privilege and thus their position as nascent capitalists were fairly circumscribed by the interests and motivations of the Kenyan government (colonial, then national) and those of its foreign partners. The road to dominating the tea industry in the twenty-first century, in other words, was fraught with challenges for smallholder Kenyan farmers.

THE RISE OF KENYA’S “AGRARIANISM” PROJECT

To better understand how Kenya’s smallholder tea producers became key contributors to the national economy, it is important to historicize the development-through-agriculture model that underpins much of the current development industry’s policies and projects unfolding across sub-Saharan Africa. Contemporary developmentalists—among them the Gates

¹³R.J. Swynnerton, *Plan to Intensify the Development of African Agriculture in Kenya*, (Nairobi, Kenya: Government Printer, 1954), 10.

Foundation, United States Agency for International Development (USAID), and Howard Buffett (son of Warren Buffett)—have invested billions in field research and projects meant to “improve” African agriculture. Most notably, their efforts have been aimed at turning local subsistence farmers into smallholder commercial agriculturalists who are knowledgeable of climate change and familiar with the latest seed technology. In so doing, development practitioners and philanthropists intend to spur on a so-called brown revolution within sub-Saharan African countries in the effort to reduce hunger and poverty throughout the continent.¹⁴

While Buffett's and the Gates' ambition to curb poverty in Africa via agricultural development may be construed by some economists such as Branko Milanovic as a way for rich people to detract critics from their enormous wealth and thereby to dim the light on issues of inequality in the twenty-first century, the notion that agricultural development engenders economic prosperity is not new.¹⁵ Present-day developmentalists' belief in agriculture as the driver of national economic growth and their assumption that the rural sector can alleviate poverty in countries throughout sub-Saharan Africa, in other words, perpetuates twentieth-century development paradigm and biases carried over from the colonial era.¹⁶ More particularly, the solutions advanced by contemporary development practitioners and scholars recycle the ambitious state-building plans of the late 1950s and 1960s whereby nationalist African leaders and their (mostly Western) development partners promoted agricultural development and assumed “modern” commercial farmers could make their country's agrarian-based economy “take off.”

¹⁴Nina Munk, “How Warren Buffett's Son Would Feed the World,” *The Atlantic*, May 2016; Sophie Harman and David Williams, “International Development in Transition,” *International Affairs* 90 (2014): 925–941; Tina Rosenberg, “A Green Revolution, This Time for Africa,” *New York Times*, 9 April 2014; Bill & Melinda Gates Foundation, *2012 Annual Letter*, January 2012, pp. 1–10; Calestous Juma, *The New Harvest, Agricultural Innovation in Africa* (New York: Oxford University Press, 2011); Luc Christiaensen and Lionel Demery, *Down to Earth: Agriculture and Poverty Reduction in Africa* (Washington, DC: The World Bank, 2007).

¹⁵Branko Milanovic, “Why We All Care About Inequality (But Some of Us Are Loathe to Admit It),” *Challenge*, 50 no. 6 (November–December 2007), 117.

¹⁶Patrick O. Alila expresses this sentiment in a working paper for the Institute for Development Studies whereby he traces Kenya's agrarian programme in the 1970s to its colonial roots; see “Kenya Agricultural Policy: The Colonial Roots of African Smallholder, Agricultural Policy and Services,” Institute for Development Studies, Working Paper No. 327, University of Nairobi, November 1977, 1.

For example, Kenyan political leaders like Tom Mboya and Jomo Kenyatta in the early 1960s embraced their Western allies' penchant for well-planned national development programmes that emphasized commercial agriculture as the launching pad for industrialization in the "developing world." The nationalist elites, in effect, adopted the vision and rhetoric of modernization theorists and development "experts" of the time when putting together their own roadmap for building the Kenyan nation-state.¹⁷ Modernization theorists, such as Walt W. Rostow, particularly encouraged the newly independent African governments to support the economic viability of progressive cash crop farmers rather than building industry. Increasing the country's productivity of export crops, modernization theorists argued, would allow "traditional" agrarian societies like Kenya to supply more food to their growing populations, expand markets, as well as provide funds to support a modern industrial sector.¹⁸

Accordingly, within the context of Kenya's decolonization period and throughout its early-independence years, the nation-builders and foreign developmentalists sought to execute the project of agrarianism at the local level. This project essentially aimed at creating a rapid rate of economic development for poor African Kenyans by bringing them into the market economy as either productive smallholder cash crop farmers or skilled agricultural labourers. It was the *de facto* solution for nation-builders and foreign developmentalists who understood Kenya to be, first and foremost, an agricultural country. Kenya's chief agriculturalist, Leslie H. Brown, made this point abundantly clear in a 1960 government memorandum. "It is an undisputed fact," Brown wrote, "that Kenya is an agricultural country, dependent for her livelihood on her ability to export agricultural products ... at least 84% of Kenya's domestic exports in 1960 were agricultural products."¹⁹ While Brown's views regarding the vital role of agriculture in economic development may not be surprising given his position as a chief agricultural officer and European settler farmer, his comments underscore the fact that at the twilight of Kenya's independence

¹⁷Frank A. Kierman, Jr., "Economic Planning Becomes Fashionable in Kenya," 23 July 1962, RG 0286 Agency for International Development, USAID Mission to Kenya/Programs Division, National Archives, College Park, MD.

¹⁸W.W. Rostow, *The Stages of Economic Growth* (Cambridge: Harvard University Press, 1962), 1–17.

¹⁹Leslie H. Brown, "A Straight Look at Some Hard Facts, Appendix III," Box III: Ministry of Agriculture, Animal Husbandry and Water Resources, L.H. Brown, MSS. Arf. S. 1717 (18 B), Bodleian Libraries, Oxford University, Oxford, United Kingdom.

the country lacked any real industries outside of agriculture. The lack of industries was largely the result of the colonial Kenyan government's keen interest to maintain rather than diversify an export mercantilist economy that largely benefited the European settler population, the metropolitan government, and its multinational corporate partners.

Agrarianism, as a result, was the path forward and the preferred route that the late-colonial regime and, eventually, the Kenyatta government that assumed power on 12 December 1963 recognized as suitable for rural young men and women to take in the late 1950s and throughout the 1960s. This agricultural-as-development model endured despite the fact that local farmers had no real access to fertile land to practise *successful* commercial agriculture. Lack of land was a reality for the majority of rural Kenyans, especially for individuals residing in the western part of the country where the population density was the highest. A 1951 census report, for instance, revealed that western Kenya's North and South Maragoli locations consisted of 606,798 people living within the region's 95 square miles.²⁰ This large number of people in western Kenya, many of whom were unemployed, was unquestionably a major concern for colonial officials and, subsequently, Kenyan politicians who, in light of the Mau Mau crisis, understood the political necessity of providing disgruntled and idle Kenyans with opportunities in the countryside.

Accordingly, Kenyan political figures emphasized the dignity of working on the land in their speeches and at campaign rallies even when they encountered resistance from ambitious Kenyans who did not envision themselves toiling the soil but rather as white-collar employees living far away from the countryside at *uhuru* (independence).²¹ In a televised speech given on 11 September 1964, for example, Jomo Kenyatta, the then Prime Minister of Kenya, emphasized to his fellow Kenyans that the greatest asset they possessed as citizens of a newly independent nation-state

²⁰ "North Nyanza District Statistics 1951 Census," HD/21/76: Village Surveys, National Archives, Nairobi, Kenya.

²¹ Jomo Kenyatta, "Back to the land," 11 September 1964, in *Harambee! The Prime Minister of Kenya's Speeches 1963–1964*, ed. Anthony Cullen (New York: Oxford University Press, 1964), 60. The frustrations of land-poor and landless Kenyans who expected their *uhuru* government to have favourable policies that would address their plight were captured by sympathetic politicians like Bildad Kaggia and Oginga Odinga; see Kaggia, *Memorandum*, 14 April 1964; Oginga Odinga, *Not Yet Uhuru: The Autobiography of Oginga Odinga* (New York: Hill & Wang, 1967), 257–263. *African Socialism and Its Application to Planning in Kenya* (Nairobi: Government House, 1965), 26–27.

was the land.²² “In land lies our salvation and survival,” he stated, “whatever our plans for the future, they must spring from a resolve to put to maximum production our land, however small the acreage we possess.”²³ Kenyatta’s staunch faith in land, notably agriculture, was due in large part to the fact that the nationalist leaders had no real alternatives at independence as they were largely dependent on Western powers like the United States for aid and development personnel. In other words, the newly independent government accepted its allies’ condition to continue the colonial era’s export-agricultural economic development model.

Moreover, as newly minted “gatekeepers,” most politicians who came to power when Kenya achieved its complete (political) independence had no real incentives to disrupt the successful plantation economy. Popularly known by the majority of their constituents as the *wa-benzi* class, the “tribe” of people who drove or owned the luxury model cars, political leaders like Kenyatta personally benefited by maintaining and extending the export-orientated agricultural sector into the post-colony because they eventually became owners of some of the large plantations themselves. Their status as large-scale plantation owners, no doubt, motivated Kenyan political elites to promote development schemes and to continue projects into the postcolonial era that would not displace but instead grow the country’s cash crop industry. Put another way, the project of agrarianism allowed for the newly independent African Kenyan government to ensure that export agriculture was to remain a vital part of the economy of Kenya.

As such, the Kenyatta regime continued, albeit with some modifications, the agricultural-as-development agenda for the countryside that had begun in earnest during the twilight years of the late-colonial period. Namely, the independent government aimed to create a class of “progressive” smallholder cash crop farmers whom it could rely on to execute its nation-building programme. The development of the nation, according to the 1964 Kenya government’s economic programme, rested on the shoulders of educated smallholder commercial farmers. These individuals were the solution to addressing chronic rural poverty and, more importantly, to

²²The independent government was under the control of the dominant political party, Kenya African National Union (KANU), which was headed by Jomo Kenyatta who served as the first Prime Minister until 12 December 1964 when Kenya effectively became a Republic, making Kenyatta the first President.

²³Jomo Kenyatta, “Back to the land,” 11 September 1964, in *Harambee! The Prime Minister of Kenya’s Speeches 1963–1964*, ed. Anthony Cullen (New York: Oxford University Press, 1964), 60.

generating capital for future investment. If smallholder progressive farmers “planned an extra row of maize, worked an extra hour per day, planted the recommended seed and followed the advice of the agricultural officer,” wrote Kenyatta, they would have the ability to start an agrarian revolution which was the “principle means for creating employment opportunities and raising incomes in Kenya.”²⁴ Such rhetoric was a measured effort on the part of the leadership to show its constituents some possible (and tangible) changes in a “free Kenya” while also ensuring that the state’s agrarian-based economy remained intact.

THE EMERGENCE OF SMALLHOLDER KENYAN TEA FARMERS

The economic and political motivations of nationalist leaders and late-colonial officials to develop and intensify cash crop production, based largely on the recommendations outlined in the 1954 Swynnerton plan, paved the way for Kenya’s smallholder farmer class to emerge. By promoting commercial agriculture in African communities across Kenya, the ambitious agricultural development project aimed to “raise the productivity of the African lands, its human stock carrying capacity, the income and standards of the people while at the same time effecting a substantial increase in the resources and economy of the Colony.”²⁵ More importantly, the Swynnerton plan brought forth a programme of land consolidation and the issuing of title deeds to individual Kenyan farmers who had historically been denied security of tenure by the colonial state. The denial of individual title deeds to local farmers was due largely to the assumptions and biases on the part of European settlers and colonialists who reckoned that African Kenyans only practised a communal land tenure system. Of course, this was an erroneous and self-serving understanding of local land tenure practices that colonial authorities would abandon as a result of the Mau Mau uprising.

The security in tenure was, consequently, to result in a class of loyal landed African smallholder commercial farmers who would absorb the surplus landless population and thus reduce the pressure of unemployment in the rural sector. Colonial authorities in the mid-1950s were no doubt anxious for a solution to Kenya’s growing landless and unemployment

²⁴ Kenya Government, Kenya Development Plan, 1965/1966 to 1969/70 (Nairobi: Government Printer, 1964).

²⁵ Swynnerton, *A Plan to Intensify the Development of African Agriculture in Kenya*, p. 1.

issue, which seemed to be exacerbated by their own efforts to repatriate large numbers of Kikuyu, Embu, and Meru ex-Mau Mau detainees back into rural society.²⁶ A number of ex-detainees returning home to the Central Province following the Swynnerton plan's implementation, for instance, found themselves landless because their holdings were consolidated and titled under new owners who had taken advantage of the colonial state's land reform programme.²⁷ The Swynnerton plan and the subsequent launch of the land transfer and settlement programme in 1960, which became known as the Million Acre Scheme post 1962, were therefore state-sponsored (and internationally financed) schemes meant to address the problems, notably landlessness, which faced the late-imperial regime and, consequently, the newly independent Kenyan government. Specifically, Kenyan officials intended for the agricultural development schemes to revolutionize African land tenure, increase the production capacity of smallholdings, and address ordinary Kenyans' grievances over the lack of land.

Accordingly, the expansion of the 1950 pilot tea-growing project in Nyeri District from 37 acres to 126 acres in 1955 was the direct result of the political concessions the late-colonial regime made as a result of Mau Mau. The late-colonial government also began to incorporate other African "reserves," located in both central and western Kenya, in preparation to meet the Swynnerton plan's development target of 70,000 acres, which the Ministry of Agriculture expected to achieve by 1970.²⁸ Areas in the Nyanza and Kericho Districts, for example, were deemed by the Ministry as suitable areas to motivate local "progressive" smallholders to plant tea because of the region's favourable soil and high altitude. The colonial government likely also expanded into locations in western Kenya, such as Kericho and Nyanza, because it was familiar with the fact that ambitious farmers in the region were already growing tea either for home consumption or, the more likely case, for sale on the black market.²⁹ The

²⁶ *Ibid.*, 1.

²⁷ A.O. Ongoli, "Land Consolidation 16 January 1958," KPC/NZA/3/2/105: Land Consolidation, National Archives, Nairobi, Kenya.

²⁸ Ministry of Agriculture, "African Grown Tea 16 August 1960," ACW/26/54: Development of Tea Growing and Tea Factories in Africa Areas, National Archives, Nairobi, Kenya.

²⁹ Ministry of Agriculture, "African Grown Tea 16 August 1960,"; "Application for Financial and Managerial Assistance with the Development of Tea Factories in the African

government's expansion of the smallholder tea-planting programme in the mid-1950s ultimately brought 18,000 farmers into the industry.³⁰

THE RISE OF OPPONENTS

The Kenyan government's policy reversal and its subsequent encouragement of African smallholders to enter the export-agricultural market, unsurprisingly, were met with opposition by the large plantation estate owners who had historically dominated the tea industry in Kenya. Sir James Jones, a representative of the James Finlay & Company, a multinational cooperation that marketed and distributed tea leaves, hinted at his opposition during a meeting with Swynnerton at the Ministry of Agriculture's office in 1959. While the meeting's minutes do not explicitly show Jones' objection to the government's smallholder tea scheme, they do suggest that the Finlay corporation representatives were indeed concerned about local growers entering the East African tea market. Jones, for instance, revealed his company's anxieties by questioning the late-colonial regime's position in allowing Kenyan smallholders who either were unwilling to or unable to consolidate their fragmented pieces of property into "economic units" of at least 7–10 acres to participate in the scheme. "Sir James Jones ... felt a hesitancy as to the growing of tea in scattered plots rather than in a block," the minutes reported, "another factor he was concerned about was the effect on leaf quality and costs of transporting green leaf long distances from scattered plots."³¹

To address the "hesitancy" felt by the representatives and thereby to placate the growing concerns of the large tea-growing estates, Kenya's Ministry of Agriculture endeavoured to include them in the expansionist programme. This act ultimately allowed the tea estates in the early 1960s the chance to regulate the conditions of production and marketing of tea in the rural sector. Their control is best exemplified by the reality that the first generation of Kenyan smallholder farmers were forced by the

Lands of Kenya, 8 December 1958," ACW/26/54: Development of Tea Growing and Tea Factories in Africa Areas, National Archives, Nairobi, Kenya; Kenya Government.

³⁰ "Smallholder Tea Development Project-Kenya," International Bank for Reconstruction and Development-International Development Association Report, 9 July 1964, p. 1, accessed on 24 January 2016, <http://www.worldbank.org/en/about/archives>.

³¹ "Note of Meeting Held in Ministry of Agriculture, Nairobi, 9 February 1959, Africa Tea Development," DC/KMG/2/2/62: Tea General Correspondence, National Archives, Nairobi, Kenya.

government to sell their yields to the Special Corps Development Authority and then to its predecessor the Kenya Africa Tea Development Authority (KTDA).

Initially created in 1960 to “promote, finance, and control the development of cash crops, particularly tea, for smallholders,” the Authority was administrated largely by government officers and the representatives of commercial tea companies.³² The tea-growing estates used their privileged position to set the price they would pay for the green tea leaves that smallholders delivered to their factories. More importantly, through the Authority, the tea companies had the potential to limit (if not outright eliminate) their local competition because they had the right to reject the tea leaf deliveries if they were “not up to standard.”³³ Of course, this particular “standard” was determined by the factories and was in fact unnecessary because the tea estates often used the smallholders’ leaves as fillers rather than selling the leaves on the international market.

Such regulations no doubt still frustrated the local growers who entered the scheme in the early 1960s when the government expected them to invest more of their own capital to participate. The price of tea stumps, for example, increased from 6 cents in 1960 to 12 cents in 1963.³⁴ The price hike, coupled with the increase in the minimum purchase plant quota, effectively made it more challenging for ordinary Kenyans, especially in the Nyanza District of western Kenya, to participate in the scheme. Whereas the earlier participants in central Kenya enjoyed generous government subsidies, the Authority required the new planter to pay “the full cost of his tea stumps plus supervision and interest ... to establish 1 acre of tea ... [which] costs over £100.” This was a huge setback for ambitious cash-poor rural Kenyans, especially because the Kenyan agricultural officers defined a “proper” acre of tea to consist of 3000 stumps. Most rural

³² “Report of the working party set up to consider the establishment of an authority to promote the development of cash for smallholders, November 1959,” 1–2, ACW/26/54: Development of Tea Growing and Tea Factories in African Areas, National Archives, Nairobi, Kenya; Kenya Tea Development Authority, *The Operations and Development Plans of the Kenya Tea Development Authority* (Nairobi: Government Printer, 1964), 1–26.

³³ Brooke Bond East Africa, “1959 Pro Forma Letter to Nyanza and Rift Valley Tea Marketing Board: Green Leaf Deliveries,” ACW/26/54: Development of Tea Growing and Tea Factories in African Areas, National Archives, Nairobi, Kenya.

³⁴ Jeffrey S. Steeves traces the intra-class conflicts that develop as a result of the KTDA’s price increases; see “Class Analysis and Rural Africa: The Kenya Development Authority,” *The Journal of Modern African Studies* 16, no. 1 (Mar., 1978): 123–132.

Kenyans interested in practising cash crop farming, for example, struggled to find jobs to make the cash needed to start their enterprise.³⁵ By the 1960s, western Kenya had one of the highest concentrations of unemployment in the country with 600,000 jobless or underemployed residents living in the region.³⁶ As this high number suggests, access to cash income through employment may have been difficult for rural western Kenyans and thereby kept some from entering the market as smallholder commercial farmers.

While the Kenyan (colonial and national) government would have wanted the majority of unemployed Nyanza residents to be absorbed into the tea-sector economy as simple wage labourers, this was not what most wanted and did in practice. The unwillingness on the part of rural Kenyans, particularly from the western Kenya region, to work as fieldworkers is underscored by the Vihiga District Officer in his response to the national unemployment survey conducted in 1960. "The traditional view is that by working as a paid menial for your neighbour you 'lose face' and can no longer sit down with him on the basis of equality at a subsequent meal or beer-party," he explained.³⁷ This notion that working for a neighbour makes one less than highlights the point that there exist multiple understandings of inequality across cultures and spaces. Put simply, for rural Kenyans, inequality manifested itself beyond purely economic forms and had just as much influence on one's particular standing in society.

The disinterest in entering the wage labour market as simple manual workers no doubt impacted the productivity level of smallholder Kenyan farmers, especially during the plucking season. Unlike the commercial tea estates that imported labourers from as far as the Belgian Congo territories of Ruanda-Urundi and coordinated with the government to hire juveniles, the smallholder tea producers faced difficulty locating manual labourers to help them with the seasonal harvest.³⁸ For instance, they

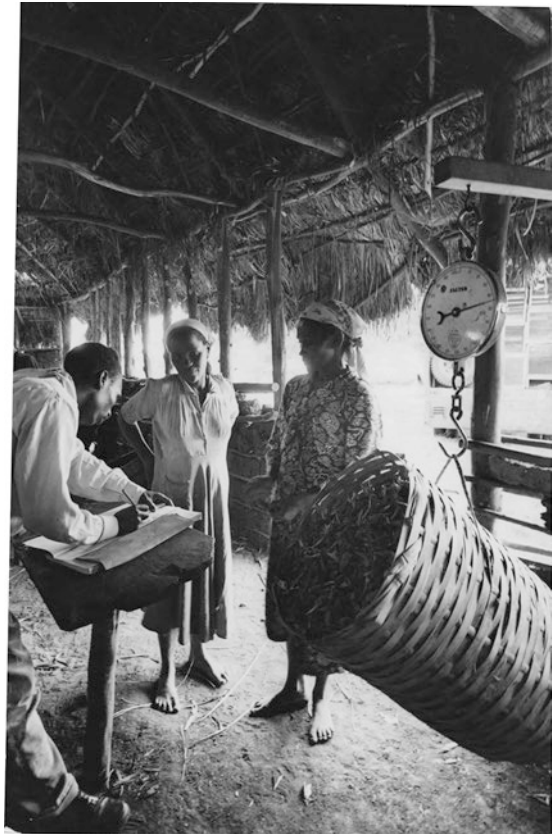
³⁵ Ministry of Agriculture, "African Grown Tea 16 August 1960," ACW/26/54: Development of Tea Growing and Tea Factories in Africa Areas, National Archives, Nairobi, Kenya.

³⁶ "Survey of Unemployment, Secretary of North Nyanza African District Council, 30 January 1960" DC/KMG/2/12/11: Unemployment, National Archives, Nairobi, Kenya.

³⁷ Vihiga District Officer, "Unemployment Survey Response, 9 March 1960," DC/KMG/2/12/11: Unemployment Labor, National Archives, Nairobi, Kenya.

³⁸ Brooke Bond East Africa and The African Highlands Production, Co., "1957 Joint Memorandum from the African Highlands Produce Co., Limited and Brooke Bond East Africa Limited, jointly operating the Labour Organization known as the Tea Estates Labour

Fig. 2 “Tea being weighed, purchased, and then processed, at a tea-buying centre at Gaikuyu in Kenya.” November 1960.
Courtesy of The World Bank Group Archives



often relied on transient family members and depended on the goodwill of neighbours to pick mature tea leaves.

The lack of infrastructure such as roads and processing factories in the African “native reserves,” which the colonial regime had largely neglected to develop, also prevented the emerging group of smallholder commercial farmers from becoming too competitive during the decolonization and early-independence years. Processing facilities in the former African “reserves” did not exist until 1957 when the Ragati Tea Factory in the

Department: Employment of Juveniles,” ABK/12/2: Labor for Tea Industry, National Archives, Nairobi, Kenya; Labour Advisory Board, “Labour Recruitment from Ruanda-Urundi,” ABK/12/2: Labor for Tea, National Archives, Nairobi, Kenya.

Nyeri District of central Kenya opened. The majority of smallholder producers in western Kenya continued to utilize the tea-growing estates' factories until the mid-1960s when the Authority managed to secure funds from the World Bank.³⁹ Similarly, the development of rural roadways used to transport agricultural export crops to the processing factories and the commercial ports of Mombasa did not become a government undertaking until the 1970s. It was at this time that the state received international aid specifically for constructing, reconstructing, and improving Kenya's road system (Fig. 2).⁴⁰

FACING THE OPPOSITION

Though the infrastructure and Authority regulations created real challenges for smallholder Kenyan tea farmers, it would seem that this segment of the tea-growing sector would not remain behind the estate growers for too long. The 1964 World Bank loan of 2.8 million, in particular, made it so that growers had access to more capital and the opportunity to enlarge their holdings. While access to capital was likely restricted to those "progressive" farmers with title deeds to their land, the fact that the government provided loans for commercial agriculture seems to have made tea growing a popular endeavour for local Kenyan farmers. The loan enabled over 18,000 new smallholder farmers to cultivate tea from the period 1964–1965 to 1967–1968, for instance.⁴¹

The growth of the smallholder class was not the only trouble that the multinational estate growers had to deal with in the post-colony. Throughout the 1960s, the large tea plantation estates had to contend with determined rural Kenyans who produced "sun-dried" tea for the black market. The state and Authority strictly prohibited growers from making "sun-dried" tea on the grounds that the product did not meet industry standards. This illegal practice became so pronounced in places like the Kakamega District in western Kenya, where the tea was being sold

³⁹ "Smallholder Tea Development Project-Kenya," International Bank for Reconstruction and Development-International Development Association Report, 9 July 1964, accessed on 24 January 2016, <http://www.worldbank.org/en/about/archives>.

⁴⁰ "Report and Recommendation of the Executive Directors on a Proposed Development Credit to the Republic of Kenya for a Fourth Highway Project," International Development Association Report, 8 December 1971, accessed on 23 January 2016, <http://www.worldbank.org/en/about/archives>.

⁴¹ "Smallholder Tea Development Project-Kenya," 3.

in the local markets, that the local Tea Officer, N.N. Khaniri, issued a plea to his District Officers to help “stamp this practice down.”⁴² Since cultivating the “sun-dried” tea also meant that the producers needed access to tea stumps, the large tea-growing estates also dealt with increases in theft on their farms. In most cases, the thefts were carried out by employees who would sell the stolen tea stumps either to farmers who did not have the means to legally participate in the government’s scheme or to smallholder farmers who had already acquired the maximum plants allocated to them by the Authority.⁴³

The production and marketing of illegal “sun-dried” tea by everyday Kenyans in places like the former Nyanza Province, along with the expansion of the World Bank’s smallholder tea scheme in 1964, certainly presented grave challenges for large estate growers who had anticipated to maintain control over the industry irrespective of who was governing Kenya. Kenya’s smallholder producers benefited from such international development programmes and actively participated in the black market when circumstances allowed. In so doing, they became formidable local competitors who essentially displaced the multinational-owned estates as the leading producers and exporters of tea in present-day Africa.

CONCLUSION

While Kenyan smallholder tea farmers play an important role in the current national economy, this was not always the case. Their entrance into the industry during the late-colonial period and throughout the early-independence years was marked by restrictive policies and unfair regulations imposed on them by the government, both colonial and national, and its corporate allies. Specifically, the desire on the part of tea-estate owners to control the process ultimately made it so that Kenyan tea growers were at a disadvantage in terms of their ability to fully participate in the industry. The limitations on the number of tea stumps along with strict cultivation guidelines were meant by corporate officials and government authorities to check the African growers’ progress. Yet, a number of

⁴² N.N. Khaniri, “RE: Minute 59/65: of P.T.B. of 17 August 1965,” MG/2/24: District Tea Committee and Minutes, National Archives, Nairobi, Kenya.

⁴³ C.H. Walton, “Prosecutions, 30 June 1964,” MG/2/24: District Tea Committee and Minutes, National Archives, Nairobi, Kenya; P.K. Ngetich, “Lost Tea Stumps, 7 June 1967,” MG/2/24: District Tea Committee and Minutes, National Archives, Nairobi, Kenya.

smallholder farmers rarely allowed such inequalities to limit their participation in tea cultivation. Indeed, their reluctance to accept their unequal status made it so that they were unforgiving in exploiting opportunities and resources that would enable them to not only successfully grow tea but, ultimately, out-produce the tea plantation estates.



Challenging Global Inequality in Streets and Supermarkets: Fair Trade Activism since the 1960s

Peter van Dam

CHALLENGING GLOBAL INEQUALITY ON THE GROUND

In 1967, the Dutch economist Harry de Lange noted that ‘[w]ithin a relatively short time-span, the question of the relation between poor and rich countries has become the pivotal issue in international economic politics and in the grand world politics themselves’.¹ Nonetheless, the issue deserved more attention, he added. ‘What is lacking, is a push from below, which does not necessarily imply demonstrating crowds of people, but for example existing organisations, such as political parties, trade unions, youth organisations, churches’.² His wish would soon be granted. After

¹This chapter presents results from the research project “Moralising the global market. Fair trade in post-war Dutch history”, which was funded by the Netherlands Organisation for Scientific Research.

²H. M. de Lange, *Rijke en arme landen: Een verantwoordelijke maatschappij in mondiaal perspectief* (Baarn: Wereldvenster, 1967), 7.

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the first campaign for fair trade between the global South and North in 1968 was launched in the Netherlands, a transnational social movement for fair trade established itself. Ideas and campaign models quickly proliferated to a host of Western European groups concerned with global economic inequality, creating a transnational network of like-minded activists. Activists across Western Europe—and across the world as the movement expanded during the 1980s—cooperated and debated attempts to promote fair trade. Many of these campaigns were pioneered by Dutch activists, and the Netherlands is therefore a suitable vantage point for the history of this movement.

Since the 1960s, inequality between richer and poorer countries had become a crucial issue of intellectual and political deliberation. The United Nations announced a Development Decade in 1961 and undertook considerable effort preparing and publicising a Second Development Decade ten years later. Intellectuals like Gunnar Myrdal and Jan Tinbergen produced hefty analyses of the causes of inequality and encouraged their readers to pursue possible solutions.³ How could inequality between rich and poor countries become such a crucial issue? In an attempt to quantify the history of economic inequality, the economist Branko Milanovic has suggested that, as an overall trend, inequality within countries gradually decreased in the course of the nineteenth and twentieth centuries. At the same time, however, the economic inequality between countries has steadily increased in favour of ‘developed’ countries in the global North in particular. Where people live has become a crucial factor in determining their economic outlook.⁴

As the following analysis of the history of fair trade demonstrates, global inequality was of concern not only to the lofty circles of politicians,

³ Olav Stokke, *The UN and Development: From Aid to Cooperation*, United Nations Intellectual History Project Series (Bloomington, IN: Indiana University Press, 2009), 137–313; Francine McKenzie, “Free Trade and Freedom to Trade: The Development Challenge to GATT, 1947–1968,” in *International Organizations and Development, 1945–1990*, ed. Marc Frey, Sönke Kunkel, and Corinna R. Unger (Houndmills: Palgrave Macmillan, 2014), 150–170; Isaac Nakhimovsky, “An International Dilemma: The Postwar Utopianism of Gunnar Myrdal’s Beyond the Welfare State,” *Humanity: An International Journal of Human Rights, Humanitarianism, and Development* 8, no. 1 (March 17, 2017): 185–194; Jan Tinbergen, ed., *Towards Accelerated Development: Proposals for the Second United Nations Development Decade* (New York: United Nations, 1970); Gunnar Myrdal, *The Challenge of World Poverty: A World Anti-Poverty Program in Outline* (London, 1970).

⁴ Branko Milanovic, “A Short History of Global Inequality: The Past Two Centuries,” *Explorations in Economic History* 48, no. 4 (December 2011): 499.

businessmen, and intellectuals. Since the 1960s, an alliance of Southern and Northern activists has addressed global economic inequality by calling on citizens in prosperous countries to act on behalf of disadvantaged producers by buying specific products and boycotting others, but also by applying political pressure and publicising injustices.

Even as fair trade activists acknowledged the problem of inequality, they conceptualised it along different lines. In the next section, I will analyse how during the 1960s and early 1970s, fair trade activism emerged as an attempt to improve the economic circumstances of what was then predominantly known as the 'Third World'. Modernisation theory provided the main framework for their activism. Some activists attempted to promote modernisation in the South by providing markets to Southern producers. Others stressed the need for an international coordination of a division of labour that would be profitable for all. During the 1970s, solidarity with revolutionary anti-capitalistic movements and governments in countries such as Cuba and Algeria became a popular strategy. Moderate activists opted to support cooperatives as an alternative economic model.

In the third section, I will highlight the shift towards approaches which intended to provide markets as a means of direct support for (groups of) producers in the course of the 1980s. The introduction of certified products which could be sold through regular retailing channels led to a striking expansion of the turnover for such products. Providing markets as means of direct support became the dominant model, usually tied to attempts at generating additional funds aimed at local development. Fair trade maintained a strong focus on inequality between what by then was known as the global North and South.⁵ In the fourth section, I will address how the expansion of the range of partners and products resulted in a growing pressure to include groups of producers beyond smallholders and put pressure on those involved to be transparent not just about the origins

⁵Jan C. Breiting, "'Ujamaa Revisited': Zur entwicklungstheoretischen Verankerung und politischen Wahrnehmung eines spezifisch tansanischen Entwicklungsmodells," *Comparativ* 23, no. 1 (2013): 89–111; Konrad Kuhn, "'Entwicklung heisst Befreiung'. Strategien und Protestformen der schweizerischen Dritte-Welt-Bewegung am Symposium der Solidarität 1981," *Mitteilungsblatt des Instituts für Soziale Bewegungen* 38 (2007): 77–95; Ruben Quaas, "Selling Coffee to Raise Awareness for Development Policy. The Emerging Fair Trade Market in Western Germany in the 1970s," *Historical Social Research* 36, no. 3 (2011): 164–181; Peter van Dam, "Moralizing Postcolonial Consumer Society: Fair Trade in the Netherlands, 1964–1997," *International Review of Social History* 61, no. 2 (2016): 223–250.

of the products they sold, but throughout the chain of production. As a result, the tension between moderate and radical activists was supplanted by a tension between those who championed the interests of Southern producers and those who campaigned for universal standards since the 1990s.

FROM BLOCKS TO PEOPLE

Economic inequality between countries had increased since the nineteenth century, but produced international concern only when a group of affected countries voiced their discontent with the political and economic structures which upheld this inequality despite the fact that these countries had acquired political independence. During the 1950s and early 1960s, a coalition of predominantly Southern countries evolved around an agenda for the reform of the prevailing economic and political order. As a result of political decolonisation, the group of disaffected countries attained a numerical majority within the United Nations. The ‘group of 77’ could thus enforce the installation of a United Nations Conference on Trade and Development.⁶ Its first meeting, held in Geneva in 1964, concluded that ‘the liquidation of the remnants of colonialism in all its forms, is a necessary condition for economic development and the exercise of sovereign rights over natural development’.⁷ Numbers notwithstanding, they could not enforce the desired changes through global politics during these conferences. Western European and Northern American representatives were not willing to drastically revise their trade policies.⁸

Within the context of the Cold War, both superpowers feared that dissatisfaction could drive states into the hands of their opponents. During the 1950s, some citizens in Western Europe came to feel that poverty in

⁶Sönke Kunkel, “Zwischen Globalisierung, internationalen Organisationen und ‘Global Governance’. Eine kurze Geschichte des Nord-Süd-Konflikts in den 1960er und 1970er Jahren,” *Vierteljahrshefte für Zeitgeschichte* 60, no. 4 (2012): 555–577; Francine McKenzie, “Free Trade and Freedom to Trade: The Development Challenge to GATT, 1947–1968,” in *International Organizations and Development, 1945–1990*, ed. Marc Frey, Sönke Kunkel, and Corinna R. Unger (Houndmills: Palgrave Macmillan, 2014), 150–170; Vijay Prashad, *The Darker Nations. A People’s History of the Third World*, A New Press People’s History (New York: New Press, 2007) 31–104.

⁷*Proceedings of the United Nations Conference on Trade and Development: Volume 1: Final Act and Report* (New York: United Nations, 1964) 11.

⁸Kunkel, “Globalisierung.”

other parts of the world offended their sense of humanity. Many also feared that economic inequality would eventually threaten their own security by destabilising global politics. The successful reconstruction of the post-war era would only be secured by corresponding efforts in other parts of the world.⁹ Like Simon Jelsma, one of the founders of the influential international aid agency Nationale Organisatie Voor Internationale Bijstand (National Organisation for International Assistance, NOVIB), told his audience around 1955:

If there are many people at this time who fear war and revolt all across the world, that is because they must be more or less aware of the existence of injustice in this world. They know well enough, these fearful people, that war does not come about without injustice.¹⁰

Fair trade activism emerged in the wake of the attempts by representatives of the global South to address their structurally disadvantageous position within the system of global trade and the growing popular concern over ‘underdevelopment’ in Western countries. Disappointed by the lack of progress during these trade conferences, sympathisers from the North considered initiatives to pressure their governments into a more cooperative stance. They also explored ways in which they could support people in the global South directly.¹¹ These activists drew on ideas about the modernisation of national economies and accompanying reforms of international economic relations which experts such as Raúl Prebisch, Hans Singer, Jan Tinbergen, and Gunnar Myrdal had formulated and attempted to introduce in the international political arena. They connected to the networks of organisations which had formed around the issues of development and international aid since the 1950s, of which NOVIB was but one example.¹² The repertoire of fair trade activism—boycotting and

⁹ Peter van Dam and Wouter van Dis, “Beyond the Merchant and the Clergyman: Assessing Moral Claims about Development Cooperation,” *Third World Quarterly* 35, no. 9 (2014): 1636–1655.

¹⁰ Simon Jelsma, *Bezit en vrijheid: Een reeks pleinpreken* (Bussum: Brand, 1957), 35–36.

¹¹ Peter van Dam, “Moralizing Postcolonial Consumer Society: Fair Trade in the Netherlands, 1964–1997,” *International Review of Social History* 61, no. 2 (2016): 223–250.

¹² On development activism, see Maarten Kuitenbrouwer, *De ontdekking van de Derde Wereld. Beeldvorming en beleid in Nederland, 1950–1990* (Den Haag: SDU, 1994); Bastian Hein, *Die westdeutschen und die Dritte Welt: Entwicklungspolitik und Entwicklungsdienste zwischen Reform und Revolte 1959–1974* (München: Oldenbourg, 2005); Christoph Kalter,

boycotting first and foremost—was notably shaped by traditions of consumer activism. The notion that citizens could exert economic and political pressure by selectively buying certain products had been applied in diverse settings well before the post-war era.¹³ Within the context of the Cold War, this repertoire gained a new momentum. The legitimacy of democracies in North America and Western Europe was founded upon the notion that these states provided prosperity and the right to choose to their citizens.¹⁴ Or as the vociferous activist Piet Reckman remarked, ‘[o]ur entire consumer society has placed us on a pedestal to such an extent, that we could now also trample it’.¹⁵

One of the first campaigns to bring fair trade into practice was the cane sugar campaign, which Dutch activists started in the fall of 1968 (Fig. 1). They had come across the topic through the work of the aforementioned Harry De Lange, who had used it as an example in his book on global economic inequality. Following up on the analysis of Tinbergen, he concluded that the poverty of poor countries was partly the result of the policies of the rich countries. Cane sugar was perfectly suited to demonstrate the disadvantageous position of the South. It was produced in several Southern countries and was nominally less expensive than European beet sugar. Nonetheless, consumers in the North had to pay a considerably higher price for cane sugar because of the importing tariffs of the European Economic Community, whilst European beet sugar farmers received

Die Entdeckung der Dritten Welt: Dekolonisierung und neue radikale Linke in Frankreich (Frankfurt: Campus Verlag, 2011); Matthew Hilton, *The Politics of Expertise: How NGOs Shaped Modern Britain* (Oxford: Oxford University Press, 2013); Heike Wieters, “Of Heartfelt Charity and Billion Dollar Enterprise: From Postwar Relief to Europe to Humanitarian Relief to ‘Everywhere’—CARE, Inc., in Search of a New Mission,” in *International Organizations and Development, 1945–1990*, ed. Marc Frey, Sönke Kunkel, and Corinna R. Unger (Houndmills: Palgrave Macmillan, 2014), 220–239.

¹³ Lawrence B. Glickman, *Buying Power: A History of Consumer Activism in America* (Chicago: University of Chicago Press, 2009); Matthew Hilton, *Prosperity for All: Consumer Activism in an Era of Globalization* (Ithaca: Cornell University Press, 2009); Matthew Hilton, “Consumer Movements,” in *The Oxford Handbook of the History of Consumption* (Oxford: Oxford University Press, 2012); Frank Trentmann, “Before ‘Fair Trade’: Empire, Free Trade, and the Moral Economies of Food in the Modern World,” *Environment and Planning D: Society and Space* 25, no. 6 (2007): 1079–1102.

¹⁴ Sheryl Kroen, “A Political History of the Consumer,” *The Historical Journal* 47, no. 3 (2004): 709–736; Claudius Torp, *Wachstum, Sicherheit, Moral: Politische Legitimationen des Konsums im 20. Jahrhundert* (Göttingen: Wallstein, 2012).

¹⁵ Eugène van Haaren, “Kosmokonplot: Een revolutie die niet mocht,” *HN-Magazine*, no. 39 (1995): 54–57.



Fig. 1 Members of the cane sugar campaign present the Minister of Economic Affairs, Leo de Block, with a heart made out of cane sugar, asking him to ‘put a heart into the global economy’. Though their demonstration on December 3, 1968, was held at the seat of the Dutch parliament, they presented banners with English slogans. Their appeal was thus directed to an international audience. Photo: Ron Kroon. Collection: Nationaal Archief, Public Domain

agricultural subsidies. Local campaign groups forged highly diverse coalitions of youth groups, political parties, churches, trade unions, members of peace movements, and initiatives for international aid. These drew attention to the issue of cane sugar through a flurry of activities: demanding local stores to sell cane sugar, selling it themselves, setting up demonstrations, hosting lectures and debates, and asking organisations such as city councils and churches to use cane sugar instead of beet sugar. The primary aim of the campaign was to pressure national and European politics by gaining public support for the cause of the South.¹⁶ Their goal was a comprehensive reform of global trade through international institutions. Because the inequality between the global South and North was reinforced by the very structure of the global market, they campaigned to

¹⁶ Eduard van Hengel, *Suikerraffinement: Rietsuikeraktie 1968* (Amsterdam, 1968).

support institutions such as the United Nations Conference on Trade and Development (UNCTAD) and actors such as its Secretary-General Prebisch, who wanted to revise these structures through international economic policies.

The cane sugar campaign proved an important stepping stone for the fair trade movement practically and symbolically. The campaign was taken up in several other European countries, such as West Germany and Great Britain, after activists from across Western Europe met up in the Netherlands in April 1970. Other products could take on similar significance. Thus, West German fair trade activists set out to sell handicraft and coffee, whilst fellow campaigners in Switzerland sold bananas and soluble coffee.¹⁷ Many of these local campaign groups would soon look to other activities to promote fair trade, founding so-called world shops to coordinate their campaigns, sell products from the South, and distribute information. These resembled the Oxfam shops which had emerged in Great Britain during the late 1960s as places where customers could buy products to support the work of this charitable organisation. World shops, however, were usually focused on political campaigning.¹⁸ Selling products could be very effective nonetheless, at once calling attention to the subject of global inequality and bringing citizens into material contact with the South through consumer goods. To many supporters, these products were more than symbols. They also responded to the suggestion that they could directly support producers by buying these products.¹⁹

The combination of symbolic and practical support would prove a highly successful formula for the fair trade movement. A broad coalition of activists could come together around selling products. Some were primarily motivated by political convictions and foregrounded the symbolic character of the products. Others were aiming to make a concrete difference for people in less fortunate circumstances. They emphasised the economic benefits that selling their products would bring to producers.

¹⁷ Ruben Quaas, *Fair Trade: Eine global-lokale Geschichte am Beispiel des Kaffees* (Köln: Böhlau Verlag, 2015), 82–90; Konrad Kuhn, “‘Handelsförderung ist notwendig und problematisch zugleich’. Die Entstehung des fairen Handels als neue Handels- und Unternehmensform,” in *Dienstleistungen. Expansion und Transformation des “Dritten Sektors” (15.–20. Jahrhundert)*, ed. Hans-Jörg Gilomen (Zürich, 2007), 110–116.

¹⁸ Matthew Anderson, *A History of Fair Trade in Contemporary Britain: From Civil Society Campaigns to Corporate Compliance* (Basingstoke: Palgrave Macmillan, 2015), 23–43.

¹⁹ ‘Rietsuikerenquête Breda’, januari 1974. Private Archive Landelijke Vereniging van Wereldwinkels.

Although the competing moderate and radical approaches were at odds, the practical business of selling products and raising awareness usually provided enough common ground for cooperation between different strands. There was no strict division of labour within the movement concerning these functions, although local groups and campaigning committees tended to focus on publicising, whereas alternative trading organisations were primarily concerned with the immediate needs of producers. Through the 1970s, the movement developed a Europe-wide web of local shops which gave the issue of global economic inequality a widespread local presence. Alternative trade organisations gradually expanded both their networks of producers and the range of products they supplied to customers through shops and mail order. A transnational network of like-minded activists and organisations thus emerged, which debated the same issues and drew on the same action repertoire.

TAKING SYMBOLIC GESTURES TO THE SUPERMARKET

The fair trade activism of the late 1960s and early 1970s was committed to achieving large-scale change on short notice through international politics. Even though their campaigns evoked a widespread response among the public in the North, they did not have the desired impact on international affairs. The stalemate between sympathetic but unforthcoming Northern representatives and Southern spokespersons demanding drastic reforms could not be overcome during the 1972 and 1976 UNCTAD conferences. In fact, the economic crises of the 1970s as well as the rift between oil-producing and other countries within the Group of 77 made negotiations even more difficult than they had been during the meetings in 1964 and 1968. Similarly, the calls for a New International Economic Order met with little tangible success.²⁰ The resulting disappointment

²⁰ John Toye, "Assessing the G77: 50 Years after UNCTAD and 40 Years after the NIEO," *Third World Quarterly* 35, no. 10 (November 26, 2014): 1759–1774; Bret Benjamin, "Bookend to Bandung: The New International Economic Order and the Antinomies of the Bandung Era," *Humanity: An International Journal of Human Rights, Humanitarianism, and Development* 6, no. 1 (March 16, 2015): 33–46; Roland Burke, "Competing for the Last Utopia?: The NIEO, Human Rights, and the World Conference for the International Women's Year, Mexico City, June 1975," *Humanity* 6, no. 1 (March 16, 2015): 47–61; Nils Gilman, "The New International Economic Order: A Reintroduction," *Humanity: An International Journal of Human Rights, Humanitarianism, and Development* 6, no. 1 (March 16, 2015): 1–16.

among Northern activists caused a shift of focus away from a quick resolution through international politics towards fostering local awareness, having a direct impact, and searching for incremental strategies to achieve large-scale change.²¹

This shift towards an incremental approach did not equal a more moderate outlook among fair trade activists. In reaction to the erosion of the non-aligned movement during the 1970s, they acted upon the chances which individual countries and groups of producers offered for cooperation. Selling their products, activists could continue to combine direct support for these countries and groups with a political message. Alternative trade organisations supplied local world shops with coffee from cooperatives and from socialist countries such as Tanzania and Nicaragua, wine from revolutionary Algeria, and handicraft from small workshops throughout the South (Fig. 2).²² Activists buying and selling such products held onto the hope for structural global change by financially and symbolically supporting these political projects. Boycotting remained a similarly viable tactic. Some of the most successful campaigns for fair trade during the 1970s aggressively boycotted products associated with South African Apartheid, Portuguese colonialism, and the excesses of multinational companies' corporate practice.²³

During the 1980s, this incremental approach to fair trade was developed with new vigour. Coffee producers from Mexico and Nicaragua provided an important impulse. Pressed by the debt crisis which erupted in Latin America in 1982, they pointed out that selling marginal amounts of their produce to symbolise the need for change did too little to improve their current situation.²⁴ This appeal boosted the efforts of those Northern

²¹ Cf. Robert Gildea, James Mark, and Niek Pas, "European Radicals and the 'Third World': Imagined Solidarities and Radical Networks, 1958–1973," *Cultural and Social History* 8, no. 4 (2011): 449–471.

²² Quaas, *Fair Trade*, 181–236; Cf. Kim Christiaens, "Between Diplomacy and Solidarity: Western European Support Networks for Sandinista Nicaragua," *European Review of History: Revue Européenne d'histoire* 21, no. 4 (2014): 617–634.

²³ Cf. Roeland Muskens, *Aan de goede kant: Een geschiedenis van de Nederlandse anti-apartheidsbeweging 1960–1990* (Amsterdam 2013); Tehila Sasson, "Milking the Third World? Humanitarianism, Capitalism, and the Moral Economy of the Nestlé Boycott," *The American Historical Review* 121, no. 4 (October 1, 2016): 1196–1224.

²⁴ Franz VanderHoff Boersma, "Poverty Alleviation through Participation in Fair Trade Coffee Networks: The Case of UCIRI, Oaxaca, Mexico" (Fort Collins: Center for Fair & Alternative Trade), accessed February 25, 2015, <http://cfat.colostate.edu/wp-content/uploads/2009/09/Case-Study-UCIRI-Oaxaca-Mexico.pdf>.



Fig. 2 Dutch fair trade activists sold ‘clean’ (‘zuivere’) coffee to support Guatemalan cooperatives and the Tanzanian state during the early 1980s. Collection: Katholiek Documentatie Centrum, Nijmegen

activists who had called for a more professional approach to selling fair trade products since the early 1980s.²⁵ It inspired a focus on solidarity with and development of specific groups of marginalised producers within Southern countries. Yet attempts to realise a larger turnover through

²⁵ Verslag workshop “Professionalisering” tijdens de internationale bijeenkomst van Wereldwinkels in Keulen [1987]. Private Archive Landelijke Vereniging van Wereldwinkels; Helpt produktenverkoop?, 24-9-1986. Ibid.

existing channels fell short of their expectations. An attempt to transform the market by changing large companies therefore presented an intriguing alternative. The Dutch ecumenical development organisation Solidaridad had experimented with such an approach in addressing the role of European banks in the Latin American debt crisis. In the course of that campaign, Solidaridad had called on customers to write to the directors of their respective banks and to donate part of their private interest earnings at the same time.²⁶

A new incremental approach to confronting global inequality thus emerged, which aimed at improving the economic situation of Southern producers in the short run whilst leveraging a larger market share to exert pressure on politicians and businesses. To that end, Solidaridad's staff followed up its banking campaign by borrowing from the repertoire of the ecological movement. Taking its cue from initiatives for ecological certification, the team explored the possibilities of cooperating with multinational coffee companies and supermarket chains to introduce fair trade coffee through regular retailing channels. Dismissing an initial attempt to develop an independent brand of fair trade coffee, Solidaridad introduced a certification scheme for fair trade coffee in 1988. Any company which complied with the criteria set out by the initiative could sell its own brands of coffee certified as 'fair trade' products. These criteria stipulated that coffee had to be purchased from registered cooperatives of small farmers. Buyers had to guarantee a minimum price, provide credit, and commit to building long-term relations with the producers.²⁷ The new label was called 'Max Havelaar' after a nineteenth-century novel which criticised Dutch colonial exploitation of coffee farmers. This reference explicitly connected the Dutch colonial past to the attempts to overcome the legacy of colonialism by confronting the unequal global economic trading conditions.

Once the certified coffee was available in supermarkets, fair trade activists hoped to mobilise customers to buy it. If they did, the larger market share could be used to point out to the large multinational coffee firms that customers demanded fair trading conditions. If they could be

²⁶ Actiewijzer Solidaridad-kampagne 1985 'Onze rente, hun armoede'. Katholiek Documentatie Centrum: Archief Solidaridad, stukken betreffende acties. 1975–1988, nr. 140.

²⁷ Elisabeth Bennett, "A Short History of Fairtrade Certification Governance," in *The Processes and Practices of Fair Trade. Trust, Ethics, and Governance*, ed. Janet Dine and Brigitte Granville (London: Routledge, 2013), 47–48.

confronted with an economic incentive to take that demand seriously, activists hoped these companies would become more responsive. At the same time, a larger market share would enable fair trade activists to provide politicians with tangible evidence of the popular support for fair trading demands.²⁸

Fair trade certification turned out to be immensely successful. It was first introduced in the Netherlands but quickly proliferated worldwide. Shortly after the introduction of Max Havelaar in the Netherlands, a similar initiative by the *Arbeitsgemeinschaft Kleinbauernkaffee*—continued as *Transfair* from 1992—was introduced in Germany.²⁹ During the early 1990s, these two initiatives introduced their models throughout Europe. Driven by the distressing situation in which coffee producers found themselves during a prolonged coffee crisis in the early 1990s and by the widely shared optimism about the chances of fair trade products to obtain a larger market share through availability in regular stores, certification spread rapidly through the movement and was soon also applied to new products, such as bananas, chocolate, and clothing. At the same time, a coalition of British organisations founded their own certificate, the Fair Trade Label.³⁰ These distinct and at times competing certification initiatives joined forces in 1997, founding the Fairtrade Labelling Organisation (FLO), which set out to coordinate the certification of producers as well as the design of a joint label and a common strategy.³¹ During the first 15 years of its activities, the sales volume of fair trade coffee increased more than fivefold to about 120,000,000 kg in 2012.³²

BY WHOM, FOR WHOM?

Fair trade has expanded from the margin to the mainstream since the 1980s. In terms of its longevity, network, visibility, and economic impact, it was among the most successful social movements of the post-war era. As fair trade certification spread rapidly throughout the South and the North, it led to a remarkable growth in the economic relevance and the visibility

²⁸ Peter van Dam, “‘Onze rente, hun armoede’: De fair trade-revolutie in de jaren tachtig heroverwogen,” *Impressie* 17 (2015): 8–11.

²⁹ Quaas, *Fair Trade*, 287–313.

³⁰ Anderson, *A History of Fair Trade*, 108–124.

³¹ Bennett, “A Short History of Fairtrade Certification Governance,” 47–57.

³² Jos Harmsen, *25 jaar Fairtrade Max Havelaar: Van koffie tot nu* (Utrecht: Stichting Max Havelaar, 2013), 39.

of fair trade. At the same time, the tensions within the movement became more pronounced. Although its initiators had introduced certification as an incremental approach, the importance of the sales volume notably increased because of its immediate impact and potential leverage vis-à-vis businesses and politics. Moreover, certified products were sold outside of the traditional alternative environment of world shops and occasional stands. Supermarkets and wholesale outlets did not provide the same opportunities for connecting the product to an overt message about the need to transform the global market. Certification thus threatened to reduce the significance of publicising fair trade in favour of practising it through selling products.

Attempts to explain and evaluate the transformation of fair trade in the wake of the introduction of certification have resulted in a lively debate about ‘mainstreaming’. Had fair trade activism radically changed in character by operating within mainstream markets? Some observers lauded the new approach as a ‘brilliant idea’ with ‘spectacular achievements’, others mourned the loss of the alternative character and the political approach to fair trade.³³ Both sides, however, paid excessive attention to the immediate economic dimension of fair trade certification. To understand how fair trade activism has evolved since the 1980s, we need to look beyond the short-term impact of certification. The attempts to transform the global market went beyond improving the present economic situation of producers and fostering their capacity for autonomy. Besides certification, other tactics were developed to impact mainstream companies and politics by appealing to the notion of corporate social responsibility and the politics of international trade. Activities which prioritised publicising fair trade continued to play a significant role in these respects.

The success of the fair trade movement during the 1990s and 2000s should be regarded as resulting from a broad pallet of mainstreaming tactics, which both benefitted and fostered the importance of corporate social

³³ John Bowes, ed., *The Fair Trade Revolution* (London: Pluto Press, 2011); Frans van der Hoff and Nico Roozen, *Fair Trade: Het verhaal achter Max Havelaar-koffie, Oké-bananen en Kuyichi-jeans* (Amsterdam: Van Gennep, 2001); Harriet Lamb, *Fighting the Banana Wars and Other Fairtrade Battles: How We Took on the Corporate Giants to Change the World* (London: Rider, 2008); Michael Barratt Brown, *Fair Trade. Reform and Realities in the International Trading System* (London: Zed Books, 1993); Gavin Fridell, *Fair Trade Coffee: The Prospects and Pitfalls of Market-Driven Social Justice* (Toronto: University of Toronto Press, 2007); Daniel Jaffee, *Brewing Justice: Fair Trade Coffee, Sustainability, and Survival* (Berkeley: University of California Press, 2007).

responsibility. At the same time, the expansion of the appeal of fair trade prompted a reconsideration of the aims and means of fair trade activism itself. The attempts to establish fair trade as a mainstream practice expanded it beyond the selected products of alternative trading organisations. These organisations had vouched for the 'fair' nature of their products with the specific nature of their operations and their direct relations with hand-picked groups of producers. As fair trade expanded its range of products, partners, and producers, the need for new means of guaranteeing the 'fair' nature of the products arose. Certification pertained to solve this problem. In order to obtain fair trade certification, independent monitoring was introduced to guarantee that companies which did not traditionally comply with fair trade norms were abiding by fair standards in regard of the certified products that they were selling. However, this approach also presented new problems. Monitoring was costly and hard to conduct in a satisfying manner.³⁴ As the reach of certification grew, the original focus on smallholder production also became questionable. The inclusion of actors who were not part of the fair trade movement and the expansion of the product range increased the importance of transparency throughout product chains.³⁵

The repertoire of mainstreaming tactics as well as the tensions which emerged within the fair trade movement during the 1990s and 2000s became apparent around the activities of the Clean Clothes Campaign (Schone Kleren Kampagne), an international campaigning organisation which was officially established in the Netherlands in 1990. Its initial campaigns were aimed at the clothing multinational C&A, which was targeted because it sold clothes produced under precarious circumstances both in Southeast Asia and in European countries.³⁶ The Clean Clothes Campaign employed tactics which aimed to expose such corporate malpractices to the public. The aim was to immediately leverage companies into improving working conditions in the specific instances that were brought to light and to encourage them to formulate corporate standards and abide by them in the long run. The Campaign thus employed a two-sided mainstreaming strategy, which consisted of generating public pressure on the

³⁴ "Schone kleren vs. Made-By over arbeidsomstandigheden", *Communicatie* 13, no. 5 (2007): 45.

³⁵ Dara O'Rourke, "Multi-Stakeholder Regulation: Privatizing or Socializing Global Labor Standards?," *World Development* no. 5 (2006): 899–918.

³⁶ Marijke Smit and Lorette Jongejans, *C&A, de stille gigant: Van kledingmultinationaal tot thuiswerkster* (Amsterdam: Stichting Onderzoek Multinationale Ondernemingen, 1989).

one hand and offering to collaborate for improving labour conditions on the other. To this end, it developed a 'Fair Wear Manifesto', which would provide the basis for the 'Fair Wear Foundation', founded in 1999. Clothing companies which wanted to cooperate were offered guidelines for fair working conditions throughout its product chain and advice on how to effectively monitor these conditions. Originally, this participation was intended to result in comprehensively 'fair' companies, which complied with the guidelines for working conditions and monitoring.³⁷

Clothing emerged as a potential new market for fair trade certification during the late 1990s, as cooperatives which produced cotton inquired into the possibilities of fair trade certification. Once again, the campaigning organisation Solidaridad pioneered the initiative. Its staff helped to set up the clothing brand Kuyichi, which intended to sell fair trade jeans and other clothes made out of certified cotton. This, however, brought them into conflict with representatives of the Clean Clothes Campaign, who objected that Kuyichi was disregarding its responsibility for the parts of the product chain beyond the cotton farmers. According to information obtained by the members of the Campaign, Kuyichi employed factories of dubious reputation. They found that the standards for monitoring that Kuyichi intended to comply with were as lax as those of many regular companies. To maintain a common stance on fair trade, these critics urged Kuyichi's founders to hold themselves to the higher standards which the Clean Clothes Campaign promoted. If 'fair' companies did not comply with these standards, other companies would be provided with an excellent argument not to comply either.³⁸

Similar tensions arose as Fairtrade Labelling International discussed its plans to introduce 'fair' clothing with members of the Clean Clothes Campaign in 2003. The latter pleaded for an approach which would not prioritise small farmers, but instead take the whole chain from cotton fields to retail stores into account. Although the labelling organisations were sympathetic to this plea, they pointed out that their own organisations had the primary aim of supporting marginalised producers. By

³⁷ The Dutch Fair Wear Charter Foundation Is Founded, *Clean Clothes Newsletter* (1999) 11, 20. ISSG: Clean Clothes Campaign. 17: English newsletters; 'Short and very incomplete overview of development in Europe relating to codes'. IISG: CCC. 26: Barcelona 1997–2001.

³⁸ Evert de Boer, Schone Kleren Kampagne, aan Solidaridad, 18-3-2003. IISG: CCC. 35: Notulen 2003; Evert de Boer, Schone Kleren Kampagne, aan Solidaridad, 18-12-2003. IISG: CCC. 35: Notulen 2003.

extending the benefits of fair trade certification to marginalised cotton farmers, these organisations would be able to significantly improve their situation. Even though the labelling organisations deemed it important to ensure fair working conditions in the entire chain, this was a long-term goal. They specified that production partners had to comply with the international protocol for corporate responsibility known as SA8000 and insisted on regular monitoring in this regard. The Clean Clothes Campaign rejected this approach, both because it found the stipulations in the protocol wanting and because it had documented many instances in which monitoring had failed to detect malpractices which had been reported by other sources.³⁹

The debate about how to include factory workers into the system of fair trade certification was but one instance of a broader debate which was raging within the labelling organisations in the 2000s and 2010s: should certification be expanded to include plantations and factories beyond smallholder production? The mainstreaming tactics had at first presented transparency as a demand which the fair trade movement conveyed to external parties. Because of the notable expansion of the range of partners and products, this had now become a demand which pressured their own activities too. As these activities were also aimed at products with extended chains of production, the tension between a particular and a universal approach to fair trade became acute. Was fair trade intended to benefit particular groups of marginalised producers or should it promote universal standards for fair conditions? Whereas the labelling organisations had traditionally adhered to the former viewpoint, the Clean Clothes Campaign insisted on the latter. This went hand in hand with a revaluation of the nature of fair trade products and 'fair' companies. Instead of presenting these as entirely 'fair', campaigning organisations such as the Clean Clothes Campaign and entrepreneurs such as the fair trade chocolate firm Tony's Chocolonely acknowledged that entirely fair products were almost impossible to procure. Instead, they presented themselves as being committed to improving social and ecological conditions within product chains in order to maybe someday achieve a situation which corresponded to their ideals. For example, Tony's Chocolonely went from claiming to sell

³⁹ Olaf Paulsen, FLO International, to Clean Clothes Campaign, 15-12-[2003]. IISG: CCC. 246: Fair trade; Clean Clothes Campaign to Olaf Paulsen, 9-1-2004. IISG: CCC. 246: Fair trade; Fenny Eshuis & Stephan Peijnenburg, Product policy Max Havelaar Netherlands, June 2004. IISG: CCC. 246: Fair trade.

‘slave-free chocolate’ to stating that through selling and buying its products, ‘together we are making chocolate 100% slave-free’.⁴⁰

Even though consumer awareness and corporate social responsibility often appeared to be the main focus of the movement, fair trade activists did not give up on political action. Drawing on experiences with local activism since the 1970s, they regularly addressed local town councils and national and European institutions to solicit resolutions in support of fair trade and integrate fair trade standards into their procurement policy. During the 2000s, the fair trade town campaign which emerged in Great Britain spread across the world. A town could apply for the title of ‘fair trade town’ if its council committed to fair trade, a group of local citizens promoted it, and a number of companies offered fair trade products. Ten years after the town of Garstang had proclaimed itself the first fair trade town in 2001, there were more than 500 such towns across the world.⁴¹

Much of the debate about the consequences of the recent success of the fair trade movement has revolved around the question of whether ‘mainstreaming’ has impacted the ability of fair trade activism to transform the global market. Has co-optation rendered the movement incapable of addressing global economic inequality, or is the adoption of fair trade standards by companies providing opportunities for meaningful change in this regard? Opting for mainstreaming tactics has enabled the movement to improve the situation of marginalised producers, even though their number remains limited and the scale of the impact diverges from case to case.⁴² It has also enhanced the visibility of the movement significantly and has presumably contributed to the recent popularity of the notion of corporate social responsibility.⁴³

The introduction of product certification has allowed the movement to be impactful in the short run and been able to substantially lower the threshold for the public to participate. The success of certification, however, has in turn resulted in considerable pressure on the movement itself. The figures stating the turnover of fair trade products provided welcome

⁴⁰ Jeroen Siebelink, *Het wereldschokkende en onweerstaanbaar lekkere verhaal van Tony's Chocolonely* (Amsterdam: Thomas Rap, 2018).

⁴¹ Kathryn Wheeler, *Fair Trade and the Citizen-Consumer: Shopping for Justice?* (Basingstoke: Palgrave Macmillan, 2012), 42–43.

⁴² Ruerd Ruben, “The Fair Trade Balance: New Challenges after 25 Years of Fair Trade,” *FERDI Policy Brief* no. 52 (2012): 1–7.

⁴³ Sandra Bähge, *Verändert der faire Handel die Gesellschaft?* (Saarbrücken: Ceval, 2017).

'hard' measures of the importance of fair trade. Such indicators could be used to persuade companies to participate and politicians to enable fair trade schemes, whilst they could also be referenced in relation to the general public as a sign of a vigorous and attractive movement. At the same time, this focus on economic success threatened to overshadow the publicising tactics of fair trade activism, such as boycotting and demonstrating. This made the movement susceptible to the objection that it overvalued immediate economic contributions and reduced the role of citizens to that of consumers who can contribute to fair economic relations simply through buying the right products. In addition, examples showing practical limitations of certification initiatives became a serious threat for a movement which presented economic impact as a prime measure of its viability.⁴⁴

Partnerships with actors not traditionally linked to the fair trade movement generated a constant threat to the credibility of the movement. For example, the main reason why a large number of Dutch world shops spoke out against the Max Havelaar initiative was the planned cooperation with supermarket chains with which the world shop members did not want to be associated.⁴⁵ Similarly, many fair trade supporters have objected to the German retail chain Lidl selling fair trade products, because the symbolic message of fair trade projects sits uneasily with the poor working conditions for Lidl employees.⁴⁶

Mainstreaming has been pursued primarily by national and international campaigning organisations, gradually shifting the weight of the movement away from local groups since the 1980s. Fair trade certification bypassed local groups to a certain extent, because they were neither the only nor the most impactful parties selling these products. Similarly, small-scale producers could not always comply with the criteria for fair trade certification upfront and could not afford to fund a transition by themselves. At the same time, some mainstreaming strategies mitigate radical voices within the movement. By prioritising the selling of certified fair

⁴⁴Paul Hoebink et al., *The Impact of Coffee Certification on Smallholder Farmers in Kenya, Uganda and Ethiopia* (Nijmegen: Centre for International Development Issues Nijmegen, 2014).

⁴⁵Vergadering van de stichting Max Havelaar op 7 februari 1988 te Utrecht. KDC: Solidaridad. Agenda's voor en verslagen van vergaderingen van het algemeen bestuur, 1986–1999. Nr. 298.

⁴⁶Susann Schädlich, 'Lidl lohnt sich nicht für jeden', *taz*, 21-3-2012, <http://www.taz.de/!5097977/> (20-10-2016).

trade products, the fair trade movement could no longer afford to antagonise large businesses, which were often important channels for their products. In a similar vein, the marketing of fair trade products restrained fair trade organisations from negative campaigning, which called for a positive profile.

In the long run, mainstreaming tactics have caused an unexpected reversal. Its success presented the fair trade movement with the question of whether to continue to primarily promote the interests of a particular group of marginalised producers. The expansion of the range of products and partners has elevated the importance of transparency, especially in relation to products with more complicated chains of production such as clothing. The expectation of transparency, however, was not only extended to external partners, but also applied to fair trade organisations themselves. As a result, the limitations of their own endeavours with respect to applying fair standards throughout product chains have become apparent. This in turn prompted the question of how to achieve a more comprehensive approach which would extend impactful standards of fairness to all parts of the product chain.

CONCLUSION: TOWARDS A UNIVERSAL PERSPECTIVE?

The evolution of activism for 'fair trade' since the 1960s foregrounds that global inequality has a history beyond economic indicators. This history enhances our understanding of the reactions to global inequality by gauging the impact of decolonisation beyond the realm of international politics. Explicitly or implicitly, attempts to transform global politics and trade responded to the question of what a more equitable world after decolonisation should look like. Social movements such as the fair trade movements have translated their criticism of global inequality into highly diverse forms of action. Citizens in more prosperous parts of the world have tried to muster their influence as citizens and as consumers to transform the global marketplace in favour of the 'Third World'. During the late 1960s and early 1970s, they primarily directed their attention towards a reform of international politics. During the 1970s and 1980s, they aimed at solidarity and support for cooperatives and leftist countries. Since the 1980s, support for marginalised producers in the South became the primary focus. The search for more equitable global relations was thus intertwined with the question of what responsibility citizens had as consumers and what political power they could wield in this particular role.

The conceptualisation of economic inequality and the approaches to transforming the global market have primarily been aimed at improving the position of producers in the global South. In this respect, the movement has not been quick to adapt to the reversal of trends in global inequality. Economists such as Branko Milanovic have pointed out that since the 1980s economic inequality between states has decreased, whilst inequality within individual states has increased. The ongoing debate about the focus of the fair trade movement on either improving the lives of marginalised producers or promoting universal standards cautions not to overstate this trend. Inequality between states may have decreased, but remains a formidable issue, which continues to be of particular concern to citizens across the world.



Partnerships Against Global Poverty: When “Inclusive Capitalism” Entered the United Nations

Christian Olaf Christiansen

INTRODUCTION

Why did ideas of involving private business corporations in the battle against global poverty gain traction within the United Nations (UN) from the late 1990s onwards?¹ Today, it has almost become a truism to note that the battle against global poverty must require strong *partnerships* between governments, international organizations, and private business corporations. The United Nations Global Goals (both the Millennium

¹For comments on this chapter and earlier versions, I would like to thank Angus Burgin, Jacob Jensen, Steven L.B. Jensen, participants at the conference *The Road to Global Inequality, 1945-Present Day: New Historical Perspectives*, the Research Unit for the History of Economic and Political Thought at Aarhus University, and the History Department at Dartmouth College. I would also like to express my gratitude to the people whom I interviewed for this project. The Danish Council for Independent Research and its Sapere Aude programme funded this research.

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Development Goals [MDGs] for 2015 and the 2030 Sustainable Development Goals [SDGs]) certainly put much emphasis upon partnerships to fight poverty (since 2015 also inequality), especially with business corporations. Businesses themselves are invited and prompted to become more inclusive, broadening their agenda and incorporating new measures to combat poverty and inequality, while globalization itself is to become more inclusive too, benefitting the many instead of the few. When and where did these ideas of partnerships, of creating a more inclusive capitalism and an “inclusive globalization” arise? How did they become a key framing of contemporary international discussions on global poverty, as seen in the United Nations Global Goals?

In the first section of this chapter, I briefly revisit the growing critique of global neoliberal capitalism in the late 1990s. The critiques of neoliberalism, of the Washington Consensus, and of an unequal globalization that did not deliver for the world’s poor amounted to a legitimacy crisis for global neoliberal capitalism. This crisis was a determining factor for the two main groups investigated here: management theorists and the UN. As this critique of neoliberal globalization grew, management theorists faced the challenge of rescuing the social legitimacy of private business corporations. Their idea was to channel the energies of capitalism towards a more direct pro-poor impact, relying on essentially three ideas: a fundamental redescription of the poor and of poverty, the idea of creating “shared value,” and the idea of globalizing property rights. I examine their work in the second part of the chapter. In the third part, I investigate how the UN, especially under the leadership of Kofi Annan, operated in this context of the crisis of global neoliberal capitalism. I argue not just that there was an interesting conjuncture between the ideas of the UN and of management theorists, but also that the UN directly co-opted some of the ideas developed by management theorists. As an expression of what only a decade earlier would have been an unlikely marriage, the UN and proponents of a more “social-minded business” now joined forces, symbolized through how the key concepts of inclusive capitalism and of inclusive globalization figured in both management texts as well as in important UN publications. Finally, in the fourth part, I discuss what motivated the rise of the concept of inclusive capitalism. What can account for its emergence and its trajectory? Why did the UN find it attractive? And how did it frame the international conversation on global poverty?

THE LEGITIMACY CRISIS OF GLOBAL NEOLIBERAL CAPITALISM

In what follows, global neoliberal capitalism refers to the principles of mainstreaming liberal economic principles and policies and of opening up borders to foreign capital. Neoliberal principles had their breakthrough in the 1970s when neoliberalism rose to centre stage in development discourse, also referred to as the counter-revolution in development economics.² The World Bank and the International Monetary Fund (IMF) increasingly took on neoliberal ideas in structural adjustment programmes in the 1980s. The Washington Consensus centred on fiscal discipline, reducing expenditures, market-determined interest and exchange rates, liberalization of imports and of foreign direct investment, privatization, deregulation, and the enhancing of property rights.³ Similarly, the neoliberal model of the corporation stated that it should maximize earnings of stockholders by incentivizing executives with stock options.⁴ Notably, the defence of the neoliberal model of the corporation had been championed by such people as economist Milton Friedman, who in the 1960s and 1970s had famously argued that the only legitimate concern for corporations was to maximize profits to shareholders.⁵ While this neoliberal model of the corporation is, regrettably, not always acknowledged as a central part of neoliberalism, this last point is important as the background for the pivoting in thinking by many management and business writers in the late 1990s. This context set the stage for the search for new ideals such as the

² Richard Jolly, Louis Emmerij, Dharam Ghai, & Frédéric Lapeyre, *UN Contributions to Development Thinking and Practice* (Bloomington & Indianapolis: Indiana U.P., 2004); Dieter Plehwe, “The Origins of the Neoliberal Economic Development Discourse”, in Philip Mirowski & Dieter Plehwe (eds.), *The Road from Mont Pelerin: The Making of the Neoliberal Thought Collective* (Cambridge, MA: Harvard U.P., 2009), 239.

³ John Williamson, “What Washington Means by Policy Reform,” in *Latin American Readjustment: How Much Has Happened*, edited by John Williamson (Washington: Peterson Institute for International Economics, 1989).

⁴ William Lazonick & Mary O’Sullivan, “Maximizing Shareholder Value: A New Ideology for Corporate Governance,” *Economy and Society* 29, no. 1 (2000): 13–35.

⁵ Milton Friedman, *Capitalism and Freedom* (Chicago: The University of Chicago Press, 2002); Milton Friedman, “The Social Responsibility of Business Is to Increase its Profits,” *The New York Times*, September 13, 1970.

social legitimacy of corporations rather than the single-minded aim to enrich shareholders and chief executive officers (CEOs).⁶

Neoliberalism and the Washington Consensus became dominant ways of thinking about development and poverty reduction in the 1980s and 1990s.⁷ The remarkable dominance—and consequences—of a neoliberal macroeconomic approach to economic growth and poverty reduction was documented perhaps most notably in the writings of such different writers as Naomi Klein and Thomas Friedman.⁸ Whereas Klein warned against the effects of the neoliberal shock doctrine, Friedman wrote about how the basic neoliberal ideas were the only viable kind of economic policy available, and that all countries would have to take on the same “golden straitjacket”—privatization, deregulation, opening up borders to private investment, fiscal discipline, and so on—whereby their “politics would shrink” but “their economies would grow.”⁹ Although these two writers came from opposite sides of the political spectrum, one crucial part of their diagnostics was the exact same: neoliberalism had become the only game in town.

When Klein’s book came out in 2007, critiques of neoliberal globalization had been around for quite some time resulting in the timely delivery of a message “speaking to a ready-made audience.”¹⁰ Many different events linked up to it: the 1990s public shaming of multinational corporations including Shell, Nike, Tommy Hilfiger, and Enron (in 2001), the 1997–1998 financial crises in Asia, and growing critiques of the 1980s

⁶Sumantra Ghoshal, “Bad Management Theories Are Destroying Good Management Practices,” *Academy of Management Learning and Education* 4, no. 1 (2005): 75–91.

⁷For histories of neoliberalism, see, for example, Angus Burgin, *The Great Persuasion: Reinventing Free Markets since the Depression* (Cambridge, MA: Harvard U.P., 2012); David Harvey, *A Brief History of Neoliberalism* (Oxford: Oxford U.P., 2005); Ben Jackson, “At the Origins of Neo-Liberalism: The Free Economy and the Strong State, 1930–1947,” *The Historical Journal* 53, no. 1 (2010): 129–151; Jamie Peck, *Constructions of Neoliberal Reason* (Oxford: Oxford U.P., 2010); Kim Phillips-Fein, *Invisible Hands: The Making of the Conservative Movement from the New Deal to Reagan* (New York & London: W.W. Norton, 2009); Mirowski & Plehwe, *The Road from Mont Pelerin*, Quinn Slobodian, *Globalists. The End of Empire and the Birth of Neoliberalism* (Cambridge, MA: Harvard U.P., 2018).

⁸Thomas L. Friedman, *The Lexus and the Olive Tree* (London: HarperCollins Publishers, 1999); Naomi Klein, *The Shock Doctrine: The Rise of Disaster Capitalism* (London: Penguin Books, 2007).

⁹Friedman, *The Lexus and the Olive Tree*, 86–87.

¹⁰See, for example, Michael Hardt & Antonio Negri, *Empire* (Cambridge, MA: Harvard University Press, 2000).

simply being a “lost decade” in development. The prominent economist Joseph Stiglitz left the World Bank in 2000, and shut the door behind him with a staunch critique of the neoliberal practices of the World Bank and the IMF, only to join a growing chorus of criticism against these international organizations and their infamous structural adjustment programmes.¹¹ The November 1999 protests against the World Trade Organization (WTO) in Seattle was probably the singular most important public event symbolizing what, in prolongation of Jürgen Habermas’ original concept, amounted to a new legitimacy crisis of global neoliberal capitalism.¹² The Seattle riots and the very idea of continuing popular protests against the world trade system certainly figured both in the texts of business and management writers and in discussions by top UN civil servants.¹³

It was against this backdrop of a rising criticism of neoliberal globalization, of the Washington Consensus, and of multinational corporations that a new discourse on inclusive capitalism and inclusive globalization emerged towards the end of the 1990s. Indeed, the 1990s saw a growing scepticism of the idea that opening up borders for foreign capital would be a magic silver bullet that would eradicate poverty in developing countries. The concept of inclusive capitalism emerged in response to this acknowledgement of *macroeconomic* neoliberal principles not being sufficient means for eradicating poverty. Opening up borders to foreign capital was deemed not enough. Instead, businesses needed to be convinced that it would make economic sense to expand their operations to the poorest of countries.

The crisis of a globalization that could not deliver for the wretched of the earth marked an opportunity for two dissimilar groups: business management writers and the UN. Business management writers wanted to spearhead a new, social ethos for business corporations, increasing their social legitimacy in the global economy. The UN had historically had a troublesome relationship with business corporations. In the new post-Cold War era, however, there was an opportunity to rebrand itself as a

¹¹ Joseph E. Stiglitz, *Joseph Stiglitz and the World Bank: The Rebel Within*, edited by Ha-Joon Chang (London: Anthem Press, 2001).

¹² Jürgen Habermas, *Legitimationsprobleme im Spätkapitalismus* (Frankfurt am Main: Suhrkamp, 1973).

¹³ See, for example, Georg Kell & John G. Ruggie, “Global Markets and Social Legitimacy: The Case of the ‘Global Compact’,” http://www.yorku.ca/drache/talks/pdf/apd_rug-giekellfin.pdf.

more market- and business-friendly organization. At the same time, the UN could take advantage of the more recent critiques of the IMF, the WTO, and the World Bank, positioning itself against their growing image as neoliberal hardliners in the field of international organizations.

MANAGEMENT AND BUSINESS WRITERS ON UNEQUAL GLOBALIZATION: PRAHALAD AND DE SOTO

It was in the midst of this growing critique of neoliberal global capitalism (a legitimacy crisis), which exacerbated rather than mitigated global inequality, that management, business, and development writers began to think about how private business corporations could more directly be engaged in the battle against global poverty. In brief, the plan was that this would serve two interrelated purposes: by helping the poor, businesses would help themselves gain a better image and keep the globalization of the world economy on track. The new concept that would soon capture the imagination of management writers as well as international public servants at the UN was the idea of an inclusive capitalism (or, used interchangeably, inclusive globalization).

A leading advocate and idea-generator of inclusive capitalism was the Indian-American business management thinker C.K. Prahalad. Prahalad is widely credited with inventing and popularizing the term inclusive capitalism. During the 1990s, Prahalad had (together with Gary Hamel) authored a worldwide bestseller on business strategy.¹⁴ From the mid-1990s, however, Prahalad became increasingly concerned with global poverty and how businesses could help eradicate it. The claim was that businesses could make money targeting the world's poorest, the "bottom of the pyramid" (soon to be commonly referred to as BOP in the literature), referring to the poorest 4 billion of the world's population.¹⁵ According to Prahalad, the BOP approach would not only lift billions of people out of poverty, but by doing so it would also hamper social unrest,

¹⁴Gary Hamel & C.K. Prahalad, *Competing for the Future* (Cambridge, MA: Harvard Business School Press, 1994).

¹⁵C.K. Prahalad & Allen Hammond, "Serving the World's Poor, Profitably", *Harvard Business Review* September (2002): 48–57; C.K. Prahalad & Stuart L. Hart, "The Fortune at the Bottom of the Pyramid", *strategy+business*, 26, January 10, 2002, <https://www.strategy-business.com/article/11518?gko=9a4ba>. Prahalad and Hart state in their article that their concepts were first developed in a 1998 working paper.

political uprisings, terrorism, and environmental destruction.¹⁶ What was needed, according to Prahalad, was a new blueprint for a globalization which would work for all. Against persisting and widening global inequality, the solution would be a new and more inclusive capitalism.

Prahalad articulated this new vision of an inclusive capitalism in opposition to limitations of macroeconomic neoliberal policies. Opening up borders to foreign capital had proven to be insufficient to promote growth, development, and poverty reduction. Instead, Prahalad advocated a *business-based* approach to poverty reduction: “this is a time for MNCs [multinational corporations] to look at globalization through a new lens of *inclusive capitalism*.”¹⁷ The key was to redescribe the poor and impoverished countries—where businesses had not seen any potential markets earlier, possibilities now emerged (also see Ravinder Kaur’s chapter in this volume); where the poor themselves were earlier seen as victims or passive recipients of aid, they were now to be seen as potential entrepreneurs and consumers.

Prahalad and his co-writers viewed their business-based approach of a “fortune at the bottom of the pyramid” as a necessary supplement to neoliberal policies of opening up markets to foreign investment.¹⁸ They also advocated a complete rethinking of institutional roles in the post–Cold War era: “It is tragic that as Western capitalists we have implicitly assumed that the rich will be served by the corporate sector, while governments and NGOs will protect the poor and the environment. [...] Managers in MNCs, public policymakers, and NGO activists all suffer from this historical division of roles.”¹⁹ Again, the most important ingredient of inclusive capitalism was the specific business-based approach to poverty reduction, combined with the message of everyone benefitting from inclusive capitalism, thus sharing the wealth created.

Aware that selling the idea to business leaders would require an economic rationale for them to become engaged, Prahalad stressed that “those in the private sector who commit their companies to a more *inclusive capitalism* have the opportunity to prosper and share their prosperity with those who are less fortunate” (italics my emphasis).²⁰ In *Harvard*

¹⁶ Prahalad & Hart, “The Fortune”, 2.

¹⁷ Prahalad & Hart, “The Fortune”, 1. My emphasis.

¹⁸ See also Carl J. Schramm, “Building Entrepreneurial Economies”, *Foreign Affairs* 83, no. 4 (2004): 104–115, p. 104.

¹⁹ Prahalad & Hart, “The Fortune”, 14.

²⁰ Prahalad & Hart, “The Fortune”, 14.

Business Review, a leading business journal, Prahalad pitched the idea to business leaders, stressing that it would be profitable for business—if not in the short-term interest of business, then definitely in its long-term enlightened self-interest. The scenario in the *Harvard Business Review* article was this: *either* a future with more inequality, low growth, risks of economic and political chaos, and collapse, terrorism, and civil war, and where “opposition to the global market system intensifies,” *or* a future where developing nations would truly benefit and poverty would be lowered, leading to a better, more stable, and less conflict-ridden world. Such a future, according to Prahalad, would be “driven by private investment and widespread entrepreneurial activity.” Again, the business-based approach to poverty and inequality reduction was presented as an all-important supplement to neoliberal macroeconomic principles of opening up borders to capital flows. The concept of inclusive capitalism thus emerged in a specific framing of the problem of poverty in developing countries, linked to issues of international insecurity, civil war, terrorism, and opposition to “the global market system.”

Prahalad’s key contribution came in 2004 with his book *The Fortune at the Bottom of the Pyramid*, which was to become an international best-seller. It was subtitled *Eradicating Poverty through Profits*, carrying another text on the bottom of the front cover: “Enabling Dignity and Choice through Markets.” The front depicted three elderly men looking at a computer screen together. Presumably Indians, clothed in traditional rural clothing, they are looking at a computer screen which helps them learn about prices for their products. The book gives advice on how to eradicate poverty through profits and tries to break down myths about the poor, offering guidance to the private sector about how to engage in these new markets.²¹ Prahalad explains that the key idea goes back to 1995, when he first started to think about the following question: “Why is it that with all our technology, managerial know-how, and investment capacity, we are unable to make even a minor contribution to the problem of pervasive global poverty and disenfranchisement? Why can’t we create *inclusive capitalism*?”²² And, as in the articles of 2002, the point was stressed that a

²¹ Many examples of “best practices” were offered along the way, including a CD with “35 minutes of video success stories filmed on location in the Bottom of the Pyramid in India, Peru, Mexico, Brazil, and Venezuela.” C.K. Prahalad, *The Fortune at the Bottom of the Pyramid* (Upper Saddle River, NJ: Wharton School Publishing, 2004).

²² Prahalad, *The Fortune*, p. xi. My emphasis.

whole new way of thinking about institutional roles in society was required, with a much more active involvement of the private sector in poverty reduction. This involved a movement away from the idea that it was non-governmental organizations (NGOs) and the state that would serve the poor. Against a state- and NGO-centred “paternalism towards the poor,” Prahalad argued that “the poor must become active, informed, and involved consumers.”²³ According to Prahalad, BOP would offer a new, market-based approach to alleviate global poverty that would thus distinguish itself not just from a *state*-based approach to poverty, but also from other *business*-focused ideas (such as corporate social responsibility [CSR] and philanthropy), as well as from macroeconomic *neoliberal* policies, such as “exclusive reliance on deregulation and privatization of public assets.”²⁴

Prahalad was an all-important figure in promoting the idea of inclusive capitalism and of a business-based approach to the reduction of poverty. The key was to make businesses discover the untapped potential of making money in low-income countries and to view the poor in a different light, namely as potential entrepreneurs and consumers. Both things would add up to a third: redescribing the social legitimacy of business in a global economy.

Prahalad was not a lonely voice. Similar ideas about a new role of business in the global economy and of “inclusive capitalism” were also advocated by other leading writers on business strategy and development economics, bearing testimony to how his ideas connected to a broader question within management discourse at the time: how to preserve the social legitimacy of business faced with mounting criticism?²⁵ Trying to face this challenge, leading management writers tried to open up a semantic space where their ideal model of the social corporation was founded on other, “higher”

²³ Prahalad, *The Fortune*, p. xii.

²⁴ See also Chris Jochnick, “Systems, power and agency in market-based approaches to poverty,” *Oxfam American Research Backgrounder series*, 2012, www.oxfamamerica.org/market-based-approaches-to-poverty. Jochnick sees “market-based approaches” as alternatives to “many development proponents” who “remain focused on macroeconomic growth through foreign direct investment and large-scale public-private partnerships,” but also to those who “push for a return to protected markets and stronger regulation of corporations.” Market-based approaches thus constitute a “third stream” that “accepts globalization, but intervenes more directly in markets to ensure pro-poor impacts” (p. 4). Jochnick further notes that market-based approaches have surged in the past 15 years.

²⁵ Ghoshal, “Bad Management Theories.”

moral principles than that of the neoliberal model of the corporation championed by Milton Friedman and his heirs.²⁶ One such influential business strategy writer was Michael E. Porter, based at Harvard Business School. His ideas of “creating shared value” stated that businesses should serve broader social purposes, such as poverty reduction.²⁷ Development, poverty reduction, and other social goals would have to become part of business core plan and strategy, instead of being a mere add-on to their activities. The key concept was that of shared value, defined as “policies and operating practices that enhance the competitiveness of a company while simultaneously advancing the economic and social conditions in the communities in which it operates.”²⁸ This principle should cut “across the traditional divide between the responsibilities of business and those of government or civil society.”²⁹ From this point of view, not all kinds of profits were considered equally legitimate: “Profits involving a social purpose represent a higher form of capitalism—one that will enable society to advance more rapidly while allowing companies to grow even more.”³⁰ Prahalad and Porter thus both shared the ambition of increasing the social legitimacy of business by connecting it with the higher social aims of development and of eradicating poverty in poor countries. To speak in terms of a “spirit of capitalism” vocabulary, the new spirit of global business was one that said that some kinds of profit-making (connected to social, development, and green values) were morally superior to others.³¹

²⁶ Milton Friedman, *Capitalism and Freedom*; Milton Friedman, “The Social Responsibility of Business Is to Increase Its Profits.”

²⁷ Michael E. Porter & Mark R. Kramer, “Strategy and Society: The Link Between Competitive Advantage and Corporate Social Responsibility”, *Harvard Business Review* 84, no. 12 (2006): 78–92. See also Michael E. Porter & Mark R. Kramer, “The Competitive Advantage of Corporate Philanthropy”, *Harvard Business Review*, 80, 12 (2002): 56–68; Michael E. Porter & Mark R. Kramer, “Creating Shared Value”, *Harvard Business Review*, 89, 1/2 (January/February 2011): 62–77.

²⁸ Porter & Kramer, “Creating Shared Value,” 66.

²⁹ Porter & Kramer, “Creating Shared Value,” 67 & 72.

³⁰ Porter & Kramer, “Creating Shared Value,” 75.

³¹ Christian Olaf Christiansen, *Progressive Business. An Intellectual History of the Role of Business in American Society* (Oxford: Oxford U.P., 2015); Luc Boltanski & Ève Chiapello, *The New Spirit of Capitalism* (London: Verso, 2007); Luc Boltanski & Ève Chiapello, “The New Spirit of Capitalism”, paper presented at the Conference of Europeanists, Chicago, March 14–16, 2002, <http://www.darkmatterarchives.net/wp-content/uploads/2011/11/boltanskiSPIRITofCapitalism.pdf>; Ève Chiapello, “Capitalism and its Criticisms,” in *New Spirits of Capitalism? Crises, Justifications, and Dynamics*, edited by Paul du Gay & Paul & Glenn Morgan (Oxford: Oxford U.P., 2013), 60–81; Bahar A. Kazmi, Bernard Leca &

Another important voice in the burgeoning discourse on globalization and inequality was the Peruvian economist and top diplomat in the UN, Hernando de Soto. In de Soto's much-referenced book of 2000, *The Mystery of Capital: Why Capitalism Triumphs in the West and Fails Everywhere Else*, he argued that the reason capitalism had failed to provide progress in the developing world and former communist nations was that not enough had been done to institutionalize property rights.³² The transition had failed even though these countries had implemented the neoliberal policies of balancing budgets, cutting subsidies, dropping tariff barriers, and opening up borders for foreign capital.³³ As with the other writers examined here, neoliberal Washington Consensus reforms were accused of not being adequate means for poverty reduction. According to de Soto, poor countries were not able to create capital formation (a long-time crucial issue in development economics), because they lacked an efficient property rights regime. Such a regime would, according to de Soto, give people better information about the values of their assets, increase accountability and fluidity of assets, bring people into contact with one another, and protect their transactions—all of which would be crucial to facilitate economic exchange and capital formation.

The conclusion in *The Mystery of Capital* had a section on “The Private Club of Globalization.” Globalization in its current form was marked by a growing inequality where it would only be a matter of time before “those outside the bell jar will be mobilized against the status quo by people with political agendas that thrive on discontent.” As de Soto explained, “‘If we don’t invent ways to make globalization more inclusive,’ says Klaus Schwab of the World Economic Forum, ‘we have to face the prospect of a resurgence of the acute social confrontations of the past, magnified at an international level.’”³⁴

Philippe Naccache, “Is Corporate Social Responsibility a New Spirit of Capitalism?” *Organization* 23, no. 5 (2016): 742–762, <https://doi.org/10.1177/1350508415619239>; E.P. Thompson, “The Moral Economy of the English Crowd in the 18th Century,” *Past & Present* 50 (1971): 76–136.

³² Hernando de Soto, *The Mystery of Capital: Why Capitalism Triumphs in the West and Fails Everywhere Else* (London & New York: Bantam Press, 2000), 192.

³³ Soto, *Mystery of Capital*, 1.

³⁴ Soto, *Mystery of Capital*, 194–195. De Soto quotes from Klaus Schwab & Claude Smadja, “Globalization Needs a Human Face,” *International Herald Tribune*, January 28, 1999.

All three positions examined here—Prahalad's, Porter's, and de Soto's—thus critiqued the policy of “open borders to capital” for being an insufficient means for poverty reduction. Each advocated his own vision of inclusive capitalism, of creating shared value, and of inclusive globalization as new business-based and property rights-based approaches that would help bridge the gap between the rich and poor. In their view, global inequality had increasingly become a liability to global business, with the dangers of more social backlashes such as the Seattle WTO protests in 1999. Indeed, this event served as an important reference point in the debates about the failures of an increasingly globalized economy that exacerbated rather than mitigated global inequality. The crisis of neoliberal global capitalism, however, also marked a new opportunity for channelling the formidable powers of capitalism more directly towards the purpose of combating poverty, thereby bettering the social legitimacy of business and of globalization.

INCLUSIVE CAPITALISM AT THE UNITED NATIONS

The legitimacy crisis of global neoliberal capitalism marked a threat as well as an opportunity for business management writers. For the UN, the critique of neoliberal globalization opened up a new playing field envisioning a new route for a more inclusive globalization, while at the same time shrugging off its anti-corporate image where it had been damaging. The ideas developed by management and development writers would turn out to be highly useful.

There are several reasons why the UN embarked upon a closer relationship with the private sector and corporations in the late 1990s in its commitment to fight global poverty.³⁵ For one thing, the ideological tensions between West and East, between capitalism and socialism, had eased (or vanished) in much development discourse. In practical development terms, this meant that the crude ideological dichotomy between market and state—which had never made any sense to development practitioners who knew that state building *and* a private sector were essential for

³⁵ In the autumn of 2017, I interviewed a number of key experts on the UN, including current and former UN staff. I did this in order to get an in-depth, multi-perspective view on the historical relationship between the UN and private business in relation to development and poverty reduction. In general, people I have interviewed have expressed that the relationship between the UN and the private sector changed profoundly during the 1990s.

development—gave way to a more pluralist view.³⁶ Secondly, official development assistance had been decreasing for decades.³⁷ This meant that other paths for development and poverty reduction had to be found. At the same time, private capital flows to developing countries had been growing rapidly (although still bypassing many of the poorest countries). Development, it was increasingly thought, would come through—or with—engagement with the private sector. Added to this was that the success of several of the Southeast Asian “tiger economies” could not be ascribed to official development assistance. Another factor was that the UN itself was severely hit by financial distress, as many countries, not least the US, were not paying their membership dues. This meant that new ways of funding their operations had to be sought, along with new ways for seeking influence. Under the leadership of Kofi Annan (in office 1997–2006), the UN reached out to the private sector in unprecedented ways.

Annan was an international civil servant with vision and under his leadership a new relationship between the UN and the private sector developed. While, as we have seen, this process was part of a much wider (post–Cold War) historical moment, there is much evidence to suggest that the personal priorities of the top UN official also mattered. Annan himself had undergraduate training in economics from Macalester College and graduate studies in economics from Geneva, and received an MA degree in management as a Sloan Fellow at the highly prestigious Massachusetts Institute of Technology (MIT) Sloan School of Management (the business school of MIT) in 1971–1972. He had a pragmatic outlook and was not afraid of surrounding himself with people who had new, different, and challenging ideas.³⁸ Michael W. Doyle, who served as Assistant Secretary-General and Special Adviser to Annan, has described Annan as having an altogether different approach to business than his predecessor Boutros Boutros-Ghali, whom Doyle described as an “Egyptian intellectual aristocrat with very little time” for dealing with the private sector, and as indeed being “highly sceptical of the corporate world.” In Doyle’s view, the end of the Cold War was crucial in bringing about a new relationship

³⁶ Author interview with Jens Christian Wandel, December 4, 2017.

³⁷ Kofi A. Annan, *We the Peoples: The Role of the United Nations in the 21st century* (New York: The United Nations, 2000), 38–40.

³⁸ Author interview with Thomas G. Weiss, November 16, 2017; author interview with Michael W. Doyle, November 16, 2017.

between the UN and business, but it was “not until Kofi Annan [came] into the UN” that the change really took place. “It is really Kofi who has that practical sense that if you want to change the world you need to have the private sector on board. That was quite important to him.”³⁹

Kofi Annan’s memoirs offer his own description of the time in 1997 when he took office as the new UN Secretary-General.⁴⁰ In 1997, Annan tells us, it was clear that poverty eradication had not at all come far enough in the post-war era. Development itself had been hampered by the Cold War.⁴¹ As Annan explained, in the entire Cold War period there was “an ideological rift at the heart of the UN” where “we would constantly hear the debate between the capitalist, Western view, and the socialist and communist view of economic and social development.”⁴² After 1989, it had become increasingly clear that capitalism was “the unquestionable locomotive of enormous worldwide change.” The UN’s development agenda, however, was still curtailed because of the ongoing ideological divide and the ideological aversion towards the private sector. According to Annan, official development aid as a percentage of gross domestic product (GDP) was declining, while private investment to developing countries was flourishing, even if very unevenly. At the same time, the promise that globalization would “lift all boats” had not delivered. With too meagre prospects of raising funding from donor countries, Annan’s analysis was that the UN had to find new ways for development and poverty eradication, namely by cooperating much more closely with global civil society (charities and NGOs) and with private business. It was to be a two-way street where the UN would abandon its prejudice against private business and, at the same time, private business would need to take on new responsibilities (but also benefit from the opportunities of bringing the world’s poor into the global marketplace).

Annan thus personally played a role in making a new relationship with the private sector a priority for the UN. His yearly speeches at the World Economic Forum in Davos were a clear expression of this. In his 1997

³⁹ Author interview with Michael W. Doyle, November 16, 2017. My description of Annan as being more accommodating towards business builds upon interviews with people who worked closely together with him (such as Doyle) as well as with people who did not work with him.

⁴⁰ Kofi Annan, *Interventions: A Life in War and Peace*, with Nader Mousavizadeh (New York: The Penguin Press, 2012).

⁴¹ Annan, *Interventions*, 212.

⁴² Annan, *Interventions*, 214.

speech, Annan called for new partnerships between governments, the private sector, and the international community, also emphasizing the need to go beyond the North–South divide, and for creating a global economy that would be truly open to all people.⁴³ The main theme of his 1998 speech was values.⁴⁴ Towards the end of the speech, Annan said: “Let us choose to reconcile the creative forces of private entrepreneurship with the needs of the disadvantaged and the requirements of future generations. Let us choose an enlightened way forward towards our ultimate, shared goal: a global marketplace that is open to all and benefits all.”⁴⁵ In his most famous speech at the World Economic Forum in January 1999, Annan urged the world’s business leaders to join him and the UN in a new “global compact.” As Annan said, “We have to choose between a global market driven only by calculations of short-term profit, and one which has a human face.”⁴⁶ The idea was that corporations would be “creative partners” in spreading “universal values.”

In turn for their voluntary commitment to the key principles of the Global Compact, businesses would be able to wave the blue flag, acquire better social legitimacy, and receive assistance and help from the UN Global Compact on how to implement the principles. Annan specifically stressed that the new “creative partnership” between the UN and the private sector would be in the best interest of business first and foremost by *avoiding any more backlashes to globalization*—a point also stressed by the management writers who had argued in favour of the “enlightened self-interest” of business. The new “creative partnership” was not only about CSR (abiding with certain minimum standards), however, but also about getting the private sector more directly involved in helping to reach the MDGs, which had poverty reduction as a main target. As in the management writings, the business response to the legitimacy crisis of global

⁴³ Kofi Annan, Address of Secretary-General Kofi Annan to the World Economic Forum in Davos, Switzerland, on 1 February 1997, <https://www.un.org/press/en/1997/19970131.sgsm6153.html>.

⁴⁴ Kofi Annan, Address of Secretary-General Kofi Annan to the World Economic Forum in Davos, Switzerland, on 30 January 1998, <https://www.un.org/press/en/1998/19980130.SGSM6448.html>.

⁴⁵ Annan, Address in Davos 1998.

⁴⁶ Kofi Annan, Address of Secretary-General Kofi Annan to the World Economic Forum in Davos, Switzerland, on 31 January 1999, <https://www.un.org/press/en/1999/19990201.sgsm6881.html>.

capitalism should not just be philanthropy, but to integrate poverty and development goals into core business strategies.

Annan's ideas of inclusive globalization, of universal values, and of a UN Global Compact also had an interesting intellectual source internal to the UN. Political scientist John Ruggie—who had served as the UN Assistant Secretary-General for Strategic Planning to Annan—was the key figure behind the UN Global Compact principle. Back in 1982 Ruggie had written what was to become a much-referenced article on the post-war rise of “embedded liberalism,” with reference to the concept of embeddedness in the classic work *The Great Transformation* by Karl Polanyi.⁴⁷ The idea of the Global Compact was that in a world of weak global governance structures (weak political integration with increasingly strong economic integration) there was a need to try to embed global markets in global values, norms, and institutions. But because of globalization, unlike in the early post-war era where embedded liberalism arose as a specific compromise between internationalism (trade openness) and national social protectionism (full employment, price stability, means for cushioning countries against external shocks, capital controls), there was no longer any comparable workable political and juridical governance structures available on a world scale. Hence, a “globalization with a human face” had (as a start) to rely upon *universal values*, not *international law*. This, at least, was the diagnosis made by the two people Annan had assigned to write the important January 1999 speech for the Davos meeting: Ruggie and Georg Kell, a German-born financial analyst and senior officer in the executive office of the UN Secretary-General, who would serve as the first Executive Director of the UN Global Compact from 2000 to 2015.

In the years approaching 2000 the UN declared it wanted to create a more “inclusive globalization” and build new “creative partnerships” with the private sector as a new means of combating poverty reduction (a central priority of the MDGs). Indeed, in the highly profiled 2000 publication *We the Peoples. The Role of the United Nations in the 21st Century*, with Annan as the formal author, “inclusive globalization” was presented as the only viable way forward: “the central challenge we face today is to ensure

⁴⁷ Karl Polanyi, *The Great Transformation: The Political and Economic Origins of Our Time* (Boston: Beacon Press, 2001); John Ruggie, “International Regimes, Transactions, and Change: Embedded Liberalism in the Postwar Economic Order,” *International Organization* 36, no. 2 (1982): 379–415.

that globalization becomes a positive force for all the world's people, instead of leaving billions of them behind in squalor. *Inclusive globalization* must be built on the great enabling force of the market, but market forces alone will not achieve it.”⁴⁸ The report also spoke of “creating an *inclusive global market*.”⁴⁹ The concept of inclusive globalization as well as the need for new partnerships with the private sector was also reflected in the wording of the highly significant UN General Assembly resolution that launched the MDGs, commonly referred to as the United Nations Millennium Declaration.⁵⁰

As inclusiveness and partnerships were voiced as new, key slogans, UN agencies soon began highlighting poverty reduction as a top priority and the involvement of the private sector as a key partner in this endeavour. The annual report of the United Nations Development Programme (UNDP) from 2001 was thus tellingly entitled *Partnerships to Fight Poverty*. In its foreword, the administrator of UNDP Mark Malloch-Brown, a key figure among Annan's closest staff, spoke of the need both of “a more inclusive globalization” and of partnerships with the private sector.⁵¹

In 2004 (the same year as *The Fortune at the Bottom of the Pyramid* came out), the UN Commission on the Private Sector & Development issued a report to Kofi Annan entitled *Unleashing Entrepreneurship: Making Business Work for the Poor*.⁵² The report drew heavily upon Prahalad's and de Soto's ideas, both of whom served on the commission.

⁴⁸ Kofi A. Annan, *We the Peoples. The Role of the United Nations in the 21st Century* (New York, NY: The United Nations, Department of Public Information, 2000), http://www.un.org/en/events/pastevents/pdfs/We_The_Peoples.pdf, 6. My emphasis.

⁴⁹ Annan, *We the Peoples*, 35. My emphasis.

⁵⁰ See especially article 5 (“only through broad and sustained efforts to create a shared future, based upon our common humanity in all its diversity, can globalization be made fully inclusive and equitable”) and article 20 wherein it was stressed “to develop strong partnerships with the private sector and with civil society organizations in pursuit of development and poverty eradication,” <http://www.un.org/millennium/declaration/ares552e.htm>.

⁵¹ United Nations Development Programme, *Partnerships to Fight Poverty. Annual Report 2001* (New York, NY: United Nations Development Programme, Communications Office 2001), link to the report here: http://www.undp.org/content/undp/en/home/librarypage/corporate/undp_in_action_2001.html, 2.

⁵² UNDP Commission on the Private Sector and Development, *Unleashing Entrepreneurship: Making Business Work for the Poor. Report to the Secretary-General of the United Nations* (New York, NY: United Nations Development Programme, 2004), http://www.md.undp.org/content/dam/moldova/docs/Publications/unleashing_entrepreneurship.pdf.

The backdrop for the commission and the report was a growing concern that development thinking had been much too focused upon states. As Mark Malloch-Brown, administrator for the UNDP from 1999 to 2005 and short-term Deputy Secretary-General in 2006, narrates in his memoirs: “During my first few years at UNDP, I came to realize that *we had trapped ourselves in a statist version of development*.”⁵³ Mark Malloch-Brown was a key actor who enabled a new focus on working together with the private sector (as well as playing a leading role in the process of defining the MDGs). Malloch-Brown had had a long international career working as a journalist, working at the UN, as a refugee worker, and at the World Bank (and as a Labour politician in the UK). In Brown’s view, the importance of global civil society and of private business had exploded in the 1990s’ age of globalization. “States matter a lot,” Malloch-Brown wrote, “but unless a private sector and a civil society start to grow, the state is a stage without a play.” Malloch-Brown therefore “began to push hard on behalf of these two vital actors that could partner with states in the fight against poverty.” Interestingly, Malloch-Brown wanted more than to just collaborate with the private sector of large multinationals, “with their earnest and important talk about social responsibility.” He specifically wanted to engage with “small businessmen and women on the ground who did not necessarily speak UN English and would not have even begun to understand the term sustainable human development, let alone know how to fill in a funding application form.” These people, Malloch-Brown continued, “were the source of the jobs and prosperity that could change their communities. They operated in a void that might become a space of commercial opportunity, but they lacked the means to transform it.”⁵⁴ A key inspiration for this view and the importance of developing small-scale business was C.K. Prahalad and his *The Fortune at the Bottom of the Pyramid*.⁵⁵

It was Malloch-Brown who secured Kofi Annan’s support to assemble a commission of business people and political leaders (the commission that included de Soto and Prahalad) to commence working on the report *Unleashing Entrepreneurship: Making Business Work for the Poor*. The

⁵³ Mark Malloch-Brown, *The Unfinished Global Revolution. The Pursuit of a New International Politics* (Toronto: Viking Canada, 2011), 131. My emphasis.

⁵⁴ Malloch-Brown, *Unfinished Global Revolution*, 131.

⁵⁵ During the interviews I did with people working at the UNDP, I also learned about the importance of “the private sector” being a much broader concept than just encompassing business corporations. Author interview with Nick R. Hartman, November 13, 2017.

report was about how to create an enabling framework that would set market forces free. It addressed major institutional factors such as securing the rule of law, property rights, access to capital and credit, and new partnership possibilities. According to the report, it was important to realize that “the poor entrepreneur is as important a part of the private sector as the multinational corporation” and that “all poor people are consumers.”⁵⁶ The report referred directly to Prahalad several times (also to his forthcoming 2004 book *The Fortune at the Bottom of the Pyramid*), and it referenced a figure with the 4 billion people at the bottom of the pyramid taken directly from Prahalad and Hammond.⁵⁷ It bore witness to how Prahalad’s and de Soto’s ideas had directly influenced how the UN framed the issues of global inequality and poverty.

In the following years the discourse of inclusiveness, of the poor as potential consumers and entrepreneurs, and of businesses contributing to poverty reduction continued in UN publications. Inspired by the 2004 report a new “Growing Inclusive Markets” initiative was launched in 2006, led by UNDP. An executive summary in 2008 on the initiative bore the title *Creating Value for All: Strategies for Doing Business with the Poor*, almost echoing both the concepts of Michael Porter’s “creating shared value” and Prahalad’s vocabulary on the poor.⁵⁸ The report emphasized that doing business with the poor offered new opportunities, and that “the poor participate in the private sector. All are consumers. Most are employed or self-employed.” It also emphasized that the “Growing Inclusive Markets” initiative linked up with the achievement of the UN MDGs—and that the case studies in the report “show how *inclusive business models* are promoting progress towards the goals [MDGs].”⁵⁹

Inclusiveness and business-based approaches to poverty reduction had become firmly entrenched into the UN vocabulary on global poverty.

⁵⁶ Commission on the Private Sector and Development, *Unleashing Entrepreneurship*, 5 & 7.

⁵⁷ Prahalad & Hammond, “Serving the World’s Poor, Profitably.”

⁵⁸ United Nations Development Programme, *Creating Value for All: Strategies for Doing Business With the Poor* (New York, NY: United Nations Development Programme, 2008), link to the full report here: <http://www.rw.undp.org/content/rwanda/en/home/library/poverty/creating-value-for-all%2D%2Dstrategies-for-doing-business-with-the-.html>.

⁵⁹ UNDP, *Creating Value for All*, 14 & 24, my emphasis. Also see World Resources Institute (with The International Finance Corporation, part of the World Bank Group), *The Next 4 Billion: Market Size and Business Strategy at the Base of the Pyramid* (Washington, DC: World Resources Institute, 2007), <http://documents.worldbank.org/curated/en/779321468175731439/pdf/391270Next040billion.pdf>.

From leading management and business strategists to wealthy businessmen and philanthropists, from the UN to the World Economic Forum, there was something which looked like a shared discourse on globalization and global poverty: a new vision about fighting poverty through business, about the creation of creative public–private partnerships, about unleashing entrepreneurship, about creating a global, inclusive capitalism with a human face.⁶⁰ This discourse of inclusiveness often presented itself as a corrective both to global neoliberal capitalism and to the traditional, profit-maximizing firm. Within a decade, inclusive globalization or inclusive capitalism—essentially meaning the same thing—became an influential frame for thinking about global poverty. It offered a new middle ground where “enlightened capitalists” could meet with a UN that had decided it needed global business on its own side if it were to combat global poverty efficiently.⁶¹ Furthermore, the international debate on global poverty was framed exactly as that: as a question of reducing poverty rather than as a question of reducing global inequality.

CONCLUDING DISCUSSION

In just one decade, the concept of creating a more “inclusive capitalism” became a central frame for thinking about global poverty. It was a framing that emphasized poverty reduction rather than inequality reduction; a framing that favoured lifting people upwards rather than distributing wealth downwards. It offered a new sense of orientation in the midst of a legitimacy crisis of capitalist globalization. Indeed, the short history of the

⁶⁰ Bill Gates, “A New Approach to Capitalism in the 21st Century,” Address at the World Economic Forum, January 24, 2008, <https://news.microsoft.com/speeches/bill-gates-world-economic-forum-2008/>; Klaus Schwab, “Global Corporate Citizenship,” *Foreign Affairs* 87, no. 1 (2008): 107–118.

⁶¹ After 2008, commentators have (again) declared the death of the “foreign finance fetish.” See, for example, Nancy Birdsall & Francis Fukuyama, “The Post-Washington Consensus,” *Foreign Affairs* 90, no. 2 (2011): 45–53. More recently, see the IMF paper: Jonathan D. Ostry, Prakash Loungani & Davide Furceri, “Neoliberalism: Oversold?” *Finance & Development* 53, no. 2 (June 2016), <https://www.imf.org/external/pubs/ft/fandd/2016/06/pdf/ostry.pdf>. Secondly, the meaning of the concept “inclusive capitalism” has been stretched, so that it now also refers to rampant inequality within Western societies. See, for example, the “Coalition for Inclusive Capitalism” initiative here: <https://www.incap.com/about/>, or Center for American Progress, “Report of the Commission on Inclusive Prosperity” (Washington, DC: Center for American Progress, 2015), <https://cdn.americanprogress.org/wp-content/uploads/2015/01/IPC-PDF-full.pdf>.

concept of inclusive capitalism cannot help but draw attention. The concept and its interpretations travelled from American-based business management and development writers to the UN and the international development discourse. It went from being marginal to central in debates about poverty reduction. Authors based at American business schools were key spokespersons in developing and articulating these ideas, which had an impact upon, for example, how the UN aspired to reach the Millennium (and later, Sustainable) Development Goals.

Inclusive capitalism was not a critique of capitalism *per se*, but rather of what was perceived to be a malfunctioning global capitalism. Inclusive capitalism was a critique of the Washington Consensus idea that opening up all borders for capital would eradicate poverty. Secondly, it was a critique of corporations having no higher social purposes. But inclusive capitalism did not as such critique wage labour, profit-making, or the existing regimes of property rights. On the contrary, it advocated a fuller and better integration and development of them. Inclusive capitalism was a critique of macroeconomic neoliberal reforms for being an insufficient means for poverty reduction, while arguably remaining a pro-capitalistic discourse.

What can explain the popularity of inclusive capitalism? First, the concept arose in response to inequality *between* countries and *within* countries. It emerged in the context of a perceived threat of global inequality leading to uprisings, civil war, and disorder. It offered an ideological alternative to a neoliberal Washington Consensus and the neoliberal model of private business, as well as to state-centred and socialist alternatives.

Secondly, this alternative business-based approach to poverty reduction was attractive to several of the parties examined here: management writers, the UN, and global business. For management writers and the business community they addressed, ideas of inclusive capitalism and of new images of the role of business in society would be a lever for the ever-returning problem of the *social legitimacy* of business. In this sense, inclusive capitalism offered key elements of a new spirit of capitalism or a new moral economy in times of high contestation of a global neoliberal capitalism. For the UN, inclusive capitalism and the business-based approach to poverty reduction was an opportunity for asserting itself as a development organization for the twenty-first century, with new initiatives such as the MDGs and the UN Global Compact. In a world where the basic principles of market economy and of capitalism had become mainstream in most countries since 1991, the UN (to a large extent by necessity) reached out to the private sector to combat its anti-corporate image at a time when its

own funding was in crisis.⁶² It was also an opportunity for articulating an approach to poverty reduction that would be much less dependent upon state-funding, international redistribution, and development aid. The fusion of business and development also became a new source of business profitability.⁶³ It offered a chance for rebranding, for political consumption, and for “philanthrocapitalism” in an ambiguous semantic field where doing good (in social terms) and doing well (in financial terms) oftentimes blended in and out of each other, for better or for worse.⁶⁴

What is the relationship between inclusive capitalism and neoliberalism? The answer is not as straightforward as it might seem. On the one hand, proponents of inclusive capitalism openly declared to be in favour of the profit motive, of markets, and of capitalism. They described the poor as entrepreneurial and as potential consumers. The development economist and UN diplomat Hernando de Soto has openly declared himself to be influenced by Milton Friedman. Furthermore, it can be argued that the very idea of incorporating moral and social concerns into a market or business sphere is in line with fundamental neoliberal ideas about markets being superior in dealing with just about any kind of problems and challenges.⁶⁵

On the other hand, however, proponents of inclusive capitalism often expressed their critique of the “foreign finance fetish” and of unequal globalization. The new social vision for business advocated by Prahalad and Porter stood in contrast to what they saw as the traditional view of the private business corporation. More pointedly, to argue that the UN simply embraced neoliberalism would be to go too far, all the while the organization saw its ideas of inclusive globalization in opposition to a

⁶² Jennifer Bair, “Taking Aim at the New International Order”, in *The Road From Mont Pelerin*, edited by Mirowski & Plehwe, 347–385.

⁶³ Lisa Ann Richey & Stefano Ponte, *Brand Aid: Shopping Well to Save the World* (Minneapolis, MN: University of Minnesota Press, 2011).

⁶⁴ Subhabrata Bobby Banerjee, “Corporate Social Responsibility: The Good, the Bad and the Ugly”, *Critical Sociology* 34, no. 1 (2008): 51–79; Christian Olaf Christiansen, *Progressive Business*; Christian Olaf Christiansen, “The Economic Rationality of ‘Doing Good to Do Well’ and Three Critiques, 1990 to the Present,” in *History of Economic Rationalities. Economic Reasoning as Knowledge and Practice Authority*, edited by Jakob Bek-Thomsen, Christian Olaf Christiansen, Stefan Gaardsmand Jacobsen & Mikkel Thorup (Cham, Switzerland: Springer), 133–140; Mikkel Thorup, *Pro Bono?* (Winchester, UK: Zero Books, 2015); David Vogel, *The Market for Virtue* (Washington, DC: Brookings Institution Press, 2006).

⁶⁵ Ronen Shamir, “The Age of Responsibilization: On Market-Embedded Morality,” *Economy and Society* 37, no. 1 (2008): 1–19.

globalization modelled in the image of neoliberal principles. Furthermore, the UN is more dependent upon member states than the IMF and the World Bank, making the political dynamic different. If conceptual labelling of political ideology makes sense here, it would seem rather that the UN operated along the lines of liberal values to the left of neoliberalism, compromising a sense of post-1989 capitalist realism with pro-labour and pro-human rights issues.

It could also be argued that inclusive capitalism was only a new, clever way of legitimizing capitalism, launched by “new prophets of capital” such as C.K. Prahalad and Bill Gates.⁶⁶ Such a view, however, would need to take into consideration that proponents of inclusive capitalism and similar ideas did in fact see themselves as critics of conservative capitalist values, and that the quest for more business responsibility was also driven by corporate watch groups and political consumers.⁶⁷

Unlike other approaches to poverty such as redistributionist ones, the concept of inclusive capitalism offered a depoliticized vision in which all parties involved would benefit (business and the poor, while states and NGOs would be “relieved” of some of their former duties). The vision of inclusive capitalism thus framed the problem of global poverty in a particular way.⁶⁸ All framing and all communication highlights and illuminates certain things while leaving others in the dark.⁶⁹ Such framing, such use of a particular vision and image of a more desirable future (in this case the image of inclusiveness), can serve as a guide in the present for action and future-oriented policy, favouring some policies for addressing global poverty and inequality while disfavouring others. Inclusive capitalism offered a “win-win” rhetoric on global poverty because it said that everyone would benefit from the poor coming out of poverty—it did not say

⁶⁶ Nicole Aschoff, *The New Prophets of Capital* (London & New York: Verso, 2015).

⁶⁷ Ronen Shamir, “The De-Radicalization of Corporate Social Responsibility”, *Critical Sociology* 30, no. 3 (2004): 669–689; Ronen Shamir, “Between Self-Regulation and the Alien Tort Claims Act: On the Contested Concept of Corporate Social Responsibility,” *Law & Society Review* 38, no. 4 (2004): 635–664; Shamir, “The age of responsabilization”; Ronen Shamir, “Corporate Social Responsibility: Towards a New Market-Embedded Morality?”, *Theoretical Inquiries in Law*, 9 (2008): 371–394.

⁶⁸ See, for example, George Lakoff & Mark Johnson, *Metaphors We Live By* (Chicago: Chicago U.P., 2003); George Lakoff, *Thinking Points: Communicating Our American Values and Vision* (New York, NY: Farrar, Straus and Giroux, 2006).

⁶⁹ Ernesto Laclau & Chantal Mouffe, *Hegemony and Socialist Strategy* (London: Verso, 2001); Niklas Luhmann, “What Is Communication?”, *Communication Theory* 2, no. 3 (1992): 251–259.

that wealth and poverty in and of themselves were linked to one another, and it did not demand that reducing poverty would, ultimately, also necessitate diminishing inequality. As a frame for thinking about poverty and for imagining a new future for the twenty-first century, it stressed consensus, cooperation, and harmony of interests instead of conflicts of interests. Or to use the terminology of Samuel Moyn's *Not Enough*, this anti-poverty discourse was concerned with raising the floor (sufficiency norms), rather than putting a ceiling on wealth (equality norms).⁷⁰ In brief, it was mostly *apolitical*, in the specific sense that it did not mark out antagonisms in the social world, but instead offered a vision of inclusiveness and of "sharing" the wealth or value created.⁷¹ Perhaps this apolitical approach to global poverty (framing it as poverty rather than as inequality) from 2000 until 2015 (where inequality went from being a "missing MDG" to being one of the SDGs) is one explanation for why the concept of inclusive capitalism was so utterly successful, while the battle against global inequality, mostly, failed.

⁷⁰ Samuel Moyn, *Not Enough: Human Rights in an Unequal World* (Cambridge, MA & London: The Belknap Press of Harvard U.P., 2018).

⁷¹ I here draw upon a conception of politics that focuses upon antagonism and conflicts of interest as such a concept of politics has been developed in the tradition of Carl Schmitt, Ernesto Laclau, Chantal Mouffé, and others. Carl Schmitt, *The Concept of the Political* (Chicago & London: University of Chicago Press, 2007).



Third World Inc.: Notes from the Frontiers of Global Capital

Ravinder Kaur

What work does the sign of “global” perform in the histories of global inequality?¹ And in what form does the nation-state—the vexing nineteenth-century artefact that seems to have weathered, perhaps even outlived, the moment of globalization—figure in this global scheme of things? The global–national tensions, unresolved and ceaseless, underpin many of the concerns about inequality raised in this volume. Central to this debate are the ambivalent visions of the globe as an unequal container of national enclaves and simultaneously a vast singular space of inequality. If the nation-state remains relevant, the editors of this volume rightly point out, it is because of its significance as “the site of political intervention in relation to mitigating (or exacerbating) various inequalities” in the landscape of global inequality (see “Introduction”). However, this view does not fully account

¹This chapter expands upon a previous version published as “World as Commodity: Or, How the ‘Third World’ became an ‘Emerging Market’”, *Comparative Studies in South Asia, Africa and the Middle East* 38, no. 2 (2018): 377–395.

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for the ways in which the question of inequality in relation to the nation-state has evolved in the era of unfettered global capitalism.

I draw attention to two developments crucial to this debate. First, there is the ongoing transformation of the nation form into commodity form that entails full capitalization of its territory, natural resources, people, and cultural identity. The contemporary nation-state is not just an agent of redistribution but also an income-generating asset that perceives its territory as an investment destination, its people as human capital, and its cultural essence as a commodity brand. This capitalization of the nation-state is predicated upon the old trickle-down formula that prioritizes economic growth over redistribution of income among its citizens. Second, what has made inequality a global phenomenon is the relentless movement of capital across the globe, forever in search of cheap labour, new natural resources, and removal of safeguards to protect local ecologies (often termed as trade barriers). This hyper-mobility of global capital in the post-war world in search of new markets means that when capitalism moves on, it leaves behind deprivation in abandoned spaces. In doing so, it creates ever-new zones of inequality across the world. If the concept of inequality largely came to be associated with the Third World after the twentieth-century moment of decolonization, by the 1990s it had begun encroaching spaces in the First World that had hitherto largely been considered a homogeneous zone of affluence. By the turn of the millennium, inequality was no longer an exclusive feature of the Third World. It had begun emerging as a central theme in the First World just when the Third World itself was being transformed, and was transforming itself, into a lucrative emerging market for global capital.

In this chapter, I turn my focus to how the Third World nation-states came to be incorporated into the circuits of global capital as lucrative investment destinations. This transformative moment in the twentieth century allows us to grasp the history of global inequality from the decolonized global South, and the ways in which inequality was precisely what turned these national enclaves into attractive frontiers of the restless global capital.

FRONTIERS OF GLOBAL CAPITAL

In the third week of January, a global spectacle unfolds annually in the exclusive Swiss ski town of Davos for the World Economic Forum (WEF) meeting. The main arterial street, the Promenade, famous for its high-end

cafes and boutiques, briefly turns into a unique marketplace much coveted by the world's richest and the most influential investors. The billboards, posters, and signs displayed prominently on the street announce the presence of many nations "open for business" with the world. If you walked along the Promenade in 2015, you would notice "Egypt" on display, with the sign advertising its corporate brand logo "Invest in Egypt the Future," at the iconic Hotel Belvedere, a favourite haunt of celebrities and the global elite. Opposite the Hotel Belvedere was the other landmark of Davos, Hotel Panorama, where a sign reading "Malaysia: Doing Business, Building Friendships" was displayed prominently on the side of the building. In 2012, these locations had been occupied by Brazil and Mexico, respectively. This time Mexico had chosen a more discreet location to set up its enterprise but nevertheless retained its high visibility in mobile form, via advertisements on local buses that moved across the town the entire day. Several nations like Azerbaijan, Turkey, South Africa, and India had chosen this mobile form of publicity—the local buses decorated colourfully with eye-catching images and slogans—to mark their presence. India, a pioneer in the field of nation publicity, not only used bus advertisements, but also set up a pavilion in Café Schneider, a popular establishment it has occupied since 2011. Called the "India Adda" and renamed the "Make in India Lounge" in 2015, it has by now become a familiar landmark among the regular visitors to Davos (Figs. 1 and 2).

To an outsider, the nature of exchange performed in this global marketplace is not readily apparent. After all, the pavilions do not exhibit any specific objects either manufactured and designed in or extracted from these national enclaves. Most of the pavilions, in fact, are sparsely furnished, dressed in the global aesthetics of comfortable and functional offices or even luxury airport lounges frequented by busy business travelers. The visible clues, if any, lie in the publicity script itself, where nations are re-inscribed in the affective language of promise and potentiality. Consider the following publicity taglines: "Invest in Egypt the Future," "Turkey: Discover the Potential," "Mexico Is Opportunity," "Azerbaijan: The Land of Future," "South Africa: Imagine New Ways," "Malaysia: Doing Business, Building Friendships," "Brazil: A Country of Innovation, Sustainability, Creativity, Opportunity," "India: the Land of Limitless Opportunity," and, in its most recent incarnation, "Make in India." On display here is the yet unfolding process of commodification of the nation form or what John and Jean Comaroff have called "Nationality Inc.," the



Fig. 1 Café Schneider, where India Adda—Make In India Lounge—is located. Davos, 2015. Photograph by the author

transformation of the nation into a business enterprise.² The nations, mostly from the global South, make their appearance in a new role: as branded commodities, or lucrative “emerging markets,” in policy parlance, in the world of free trade. The “thing” offered for exchange, then, is the nation in its commodity form pitched as an attractive investment destination, the yet untapped surplus that the global elite are invited to explore.

I examine the entanglements between *exploration* and *investment* underpinning the making of the nation form into commodity form. To be sure, these entanglements are hardly new. World history is replete with accounts of adventurous explorers who travelled far and wide in search of new opportunities. Each moment of discovery of distant lands, rich in

² Comaroff and Comaroff, *Ethnicity, Inc.* (Chicago, Chicago University Press: 2009), 117–120.



Fig. 2 Hotel Belvedere featuring Brand Egypt, World Economic Forum Annual Meeting, Davos, 2015. Photograph by the author

deposits of natural resources and precious commodities, has always intricately woven adventure and trade together. In fact, the very notion of investment means incurring risk-laden, speculative expenditure in order to make a future gain. In this sense, exploration is a form of long-term investment—of human labour, finances, and political will—that always carries the potential to initiate enterprise, and that in turn is expected to bring profits and induce further investments. At the heart of this exploration/investment entanglement, then, is the old human quest to discover uncharted routes and connections to access new commodities and markets, to enable a variety of exchange in ever-widening spaces of mobility. Yet the contemporary moment is different—it enframes the world itself as commodity, a world that can be measured, monitored, and ranked upon seemingly objective indicators of economic growth. The “world-as-exhibition” once conjured a world of representation, of commodities and merchandise extracted in the colonies, advertised and desired in the

metropole, and thus embedded in the specific logic of the world economy in the colonial age.³ The world-as-commodity captures and encloses entire territories to be transformed into a site of unlimited commodification and exchange and to actualize the capitalist dream of unending growth. The world-as-commodity comes into being through a new body of useful knowledge, modes of knowing the other and making oneself known, crucial to the formation of new imaginaries. A world grasped and imagined in commodity form is what eventually can be put at the disposal of investors. If the early modern era came to be known as the age of *discovery* when distant world territories were encountered and mapped in search of valuable commodities, the ongoing explorations, particularly in the global South, represent the moment of *rediscovery* of that already familiar world.

So what precisely does the moment of rediscovery entail? I propose that this time what is unknown in this project of rediscovery is not the physical shape and features of the world—both visible and legible in minute detail, in high-resolution digital format on the Internet—but the *potentiality* and *availability* of territories that can generate commercial value in the global economy. This speculative index of the yet untapped territories rapidly opening up across continents is what underpins the taxonomy of emerging markets that has come to define the contemporary world. Second, the rediscovery constitutes a dramatic transformation of this sign itself as the mid-twentieth-century “Third World” is reclassified and renamed as “emerging market” in the twenty-first century. If the Third World—also known as the developing, underdeveloped, periphery, aid recipient, poor, South—signalled despair and pessimism of territories forever lagging behind the developed North, its rediscovery as an emerging market, by contrast, conveys hope, optimism, and a world full of possibilities. The key factor enabling this shift is its visible market potential, deemed untapped and accessible, to which investors and policymakers are drawn. This particular vision of the world-as-commodity indeed primarily emanates from the world of finance capital, but its influence has been wide across global policy organizations as well as national governments that position national enclosures as investment destinations. What is especially noteworthy is how the world conjured by finance capital emerged in parallel to the other dominant discourse—development—that came to define the newly decolonized nations in the South. In short, the idea of emerging market allows us to witness a major ongoing shift in world history as the decolonized

³ Mitchell, *Colonising Egypt* (Berkeley: University of California Press, 1991), 13.

territories are assigned a new upbeat role and re-inscribed in the world of free markets.

In what follows, I describe the still unfolding modes of exploration of investment-worthy territories in the old Third World that promise the most profitable returns. Indeed in some ways, this assemblage of nations as branded commodities on the promenade conjures a familiar vision of the nineteenth-century world exhibitions, world expositions, and world fairs, where imperial powers showcased their newly acquired possessions and valuables—colonies and commodities—in metropolitan centres. The display of commodities, as well as the representation of conquered territories they were sourced from, not only enabled the consumers to inspect them closely (and even helped popularize new tastes) but also symbolized the expanse of European empires as such. The twenty-first-century spectacle of the commodified nation brands instead operates on a slightly different logic. For one, the territories named emerging or frontier markets are no longer imperial possessions but nation-states in their own right. The global production and circulation of commodities do not operate from a centralized control room. Instead, a different range of procedures of “opening up” markets have shaped the past half century. Unlike the mass consumption of the nineteenth-century world exhibitions, the consumers of nation brands are limited, exclusive groups of global investors. The display itself is designed as a gesture, a signal of newly opened-up market territories where access is the most sought-after commodity. Second, the nations on display are not merely passive players. The decolonized Third World nations, now in the garb of emerging economies, perform a prominent role in the world of free markets.

I trace here the longer genealogy of emerging markets in the global development policy shifts in the second half of the twentieth century, looking specifically at this widespread phenomenon from India, a nation that has undergone a spectacular image makeover to become a leading nation brand in the postcolonial world over the past quarter century. Brand India stands out in the field of national advertising, often envied and emulated by other Third World nations dazzled by its presence in places like Davos. By examining Brand India’s highly visible display at the WEF in Davos, we are able to see the ways in which India’s cultural difference is mobilized as a sign of the nation’s unique commercial culture and its inherent liberal essence.

THIRD WORLD MOVES

The history of the emerging markets is often linked to the idea of BRICS (Brazil, Russia, India, China, and South Africa), which gained popular currency more than a decade ago. Proposed by a Goldman Sachs banker as the “growth map” of the future in 2001, the catchy acronym comprising four of the world’s most populous and resource-rich nations—Brazil, Russia, India, and China—came to dominate the global language of investment and policymaking.⁴ Yet the idea of emerging markets precedes BRICS by more than two decades. In fact, as early as the 1950s, the idea of foreign investment as a development strategy had already begun taking root. In 1956, the International Finance Corporation (IFC), a World Bank subsidiary, was formed “to stimulate private investment” as a means to “ending extreme poverty and boosting shared prosperity” with a starting capital of USD 100 million. The belief that the “private sector is essential to development” underpinned IFC activities in the Third World, where it either offered loans or invested directly in Asian, African, and Latin American corporations.⁵ In the 1970s, the IFC opened its advisory services called “Capital Markets,” which offered both finance and advice to strengthen local financial institutions including banks and stock markets. The formation of the Housing Development Finance Corporation (HDFC) bank in India in 1977 is an example of this intervention, with IFC becoming the founding shareholder in the housing finance project. Other success stories cited by IFC in its mission to “increase the private sector’s growth and its contribution to development” include Davivienda in Colombia, investments in LG Korea, the formation of the first securities market in Indonesia, and the finance projects for Kenya Commercial Bank.⁶

In 1981, the role of private capital in Third World economies was further consolidated in a new IFC initiative. Named the Third World Equity Fund, it invited investors to look at developing countries, with the

⁴Jim O’Neill. *The Growth Map: Economic Opportunity in the BRICS and Beyond* (New York, Penguin Portfolio: 2012), 7.

⁵International Finance Corporation, *IFC: The First Six Decades: Leading the Way in Private Sector Development*, 2nd ed., <https://www.ifc.org/wps/wcm/connect/6285ad53-0f92-448f1-ac6e-0e939952e1f3/IFC-History-Book-Second-Edition.pdf?MOD=AJPERES> (accessed March 26, 2019).

⁶“Decade 2: 1970s—Broadening Our Scope,” International Finance Corporation, https://www.ifc.org/wps/wcm/connect/corp_ext_content/ifc_external_corporate_site/about+ifc_new/ifc+history/1970s (accessed March 26, 2019).

“possibility of making real money” in these territories.⁷ This new fund represented a key shift in approaches to Third World markets. Antoine van Agtmael, the investment banker credited with initiating the project, recalls the initial lack of enthusiasm among the investors who had assembled at the headquarters of Salomon Brothers in New York City. He was entrusted with the task of making a pitch to potential investors by convincing them with data showing that developing nations enjoyed higher economic growth rates and promising companies that thus far had been ignored. The assembly included about 30 bankers from major investment institutions like J. P. Morgan, TIAA-CREF, and Salomon Brothers. While they found the idea interesting, the name Third World Equity Fund was a turn-off, and his pitch failed to have the desired impact. Agtmael writes: “We had the goods. We had the data. We had the countries. We had the companies. What we did not have, however, was an elevator pitch that liberated these developing economies from the stigma of being labeled as ‘Third World’ basket cases, an image rife with negative associations of flimsy polyester, cheap toys, rampant corruption, Soviet-style tractors, and flooded rice paddies.”⁸

The term Third World came with heavy baggage that could not be offloaded easily.⁹ If it invoked the moment of decolonization in several nations across Asia, Africa, and Latin America, it was also a reminder of the global development aid regime, of the newly independent (though deemed underdeveloped) nations forever lagging behind their developed northern counterparts. And if the non-aligned movement and Bandung Conference celebrated Third World solidarity in their new-found freedom, the discourse of corruption and immature democracies hinted at the unpreparedness of these nations for full autonomy. It is against these considerations that Agtmael found “a term that sounded more positive and invigorating: *Emerging Markets*. ‘Third World’ suggested stagnation, ‘Emerging Markets’ suggested progress, uplift and dynamism.”¹⁰ The new name was

⁷ Antoine Van Agtmael. *The Emerging Markets Century: How a New Breed of World-Class Companies Is Overtaking the World* (London, Simon & Schuster: 2007). 4.

⁸ Ibid., 5.

⁹ Jean Comaroff, and John Comaroff. *Theory from the South: Or, How Euro-America Is Evolving toward Africa* (Boulder, CO, Paradigm Publishers: 2012), 1–7.

¹⁰ Agtmael, *The Emerging Century*, 5.

designed, he later recalled, “to give it a more uplifting feeling to what one had originally called the Third World Fund.”¹¹

What we witness in this name change is a desire to make a clean break in a history intended to keep the Third World and emerging markets in separate enclosures. The new name is deployed as an instant mood booster that can potentially uplift a part of the world that has long been imagined as sliding down on the political economic ladder. The qualifier *emerging* works to brighten things up and enhance the positive outlook while creating clear distance from the negative connotations of the Third World. This transition from the Third World to emerging market was further enabled when the Cold War ended and the free markets became a firm foreign policy agenda pursued aggressively in the 1990s by the Clinton administration. The documentary film *The Commanding Heights* (1998) shows how the new agenda was termed a “triumph,” as “more countries than ever adopted market economies.” In the film, the then prime minister of Malaysia Mahathir Bin Mohamad wearily describes the moment as follows: “Once communism was defeated, then capitalism could expand and show its true self. ... There is nothing to restrain capital, and capital is demanding that it should be able to go anywhere and do whatever it likes.” Interestingly, this section in the film is titled “Emerging Market Hunters,” which not only emphasized the elements of rediscovery of the already familiar world, but also suggested the thrill of chase and capture of new nations-turned-markets.¹² Indeed the goal of “captur[ing] that growth, and of course mak[ing] money for investors” was what drove investment fund managers to the Third World.¹³ Yet the difference between the Third World and its new incarnation as an emerging market is far-reaching. If the Third World was forever waiting to catch up with the developed world, the newly classified emerging markets, buoyed by the enthusiasm of potential investors, seemed to be accelerating their entry into the future. The wide gap between these perceptions might lead one to believe that these were two different regions of the world. Yet it is the

¹¹ International Finance Corporation, “Who Coined the Phrase ‘Emerging Markets’?,” September 8, 2011, YouTube video, 1:05, www.youtube.com/watch?v=-DdoiI2PFmo (accessed March 26, 2019).

¹² Transcript, “Emerging Market Hunters,” episode 3, chap. 6 of *The Commanding Heights: The Battle for World Economy*, directed by William Cran, PBS, 2002, www.pbs.org/wgbh/commandingheights/shared/minitextlo/tr_show03.html (accessed March 26, 2019).

¹³ Mark Mobius, quoted in *ibid.*

same region, but projected as parallel tracks that seldom seem to overlap. The parallel tracks do, in fact, run into each other—or rather one track merges into the other.

This dramatic shift is captured in the “aid for trade” policy measures that began taking shape about a decade later under the aegis of the World Trade Organization (WTO). Already in 2001, a new consensus began gaining ground in what is popularly called Doha Rounds, which identified the role of international trade in “the promotion of economic development and the alleviation of poverty.”¹⁴ In 2005, this consensus that “many poor countries lack the basic infrastructure to take advantage of the market access opportunities” led to further policy initiatives, including diverting development aid into creating trade infrastructures, granting loans, and providing technical assistance. The traditional donors were asked to “scale up their aid for trade” commitment in order to “build capacity and infrastructure they need to benefit from trade opening.”¹⁵ In the next decade, this shift was visible across the aid policies outlined by Western donors. For example, the Danish International Development Aid Agency (DANIDA) adopted the aid for trade principles and identified “trade as a driver of development” in its poverty reduction programmes.¹⁶ An estimated USD 264.5 billion was disbursed worldwide between 2006 and 2013, and nearly 38% of traditional aid diverted towards trade facilitation.¹⁷ This shift mirrors the wider trend within the international donor community that moved aid to build and/or launch advocacy and monitor investments in free trade infrastructure.

What we witness here, then, is the gradual diversion of the old development aid politics towards the agenda of opening up developing economies to market forces, as well as the identification of the potential of BRICS economies. The WTO agenda of bringing “coherence in global economic policy making” that encompasses developing nations to help them “fully

¹⁴ “Technical Cooperation and Capacity Building,” Doha WTO Ministerial 2001, adopted November 14, 2001, World Trade Organization website, www.wto.org/english/thewto_e/minist_e/min01_e/mindecl_e.htm#cooperation (accessed March 26, 2019).

¹⁵ World Trade Organization, “Aid for Trade Fact Sheet,” World Trade Organization, www.wto.org/english/tratop_e/devel_e/a4t_e/a4t_factsheet_e.htm (accessed July 15, 2016).

¹⁶ DANIDA. *Transitional Strategy for Denmark’s Multilateral Aid for Trade Activities 2014–15*. (Copenhagen, DANIDA, Ministry of Foreign Affairs: 2014), 5.

¹⁷ WTO, *Aid for Trade at a Glance, 2015* World Trade Organization, www.wto.org/english/tratop_e/devel_e/a4t_e/aid4trade_e.htm (accessed July 14, 2016).

exploit their potential” gains broader acceptance.¹⁸ The donors now begin viewing developing nations in terms of their unexploited potential and increasingly use the language of partnership, as responsibility and accountability enter into this changing donor–recipient relationship. The development aid agenda has since continued to recede to help shape the further opening up of Third World economies. In this world of open markets we will witness how the old dichotomies of first/third, core/periphery, and developed/developing are readily subsumed and rearranged in commodity form.

INDEX OF ATTRACTIVENESS

What makes a nation-turned-market attractive in the eyes of investors? And how do investors explore and imagine this commodified world in the twenty-first century? If spectacular expeditions undertaken by adventurous explorers were the hallmark of an earlier era, the contemporary exploration is a routine practice facilitated by financial experts, and a fast-growing body of popular and specialist literature on markets and investments. The twenty-first-century investor-explorer, we are told, does not “need a passport, only a desire to discover more about the economic opportunities in the world today.”¹⁹ This mode of discovery, or more rediscovery, entails taking “a long, hard look at the world. [One] may not have done this at any great length since the sixth grade, but time spent studying a world map can never be wasted, and can be critical to [one’s] success as a global investor.” This advice to rediscover a world whose physical contours ought to be familiar even to a sixth-grade student is offered by Mark Mobius, the executive director of the group, one of the early movers in the 1980s who invested in the emerging markets. The “long, hard look” he prescribes is an invitation to see what might have been long overlooked, namely, the full economic potential of the Third World. As Mobius explains,

The first thing you’ll probably notice is the relatively small size of the developed markets compared to the vast swaths of land covering the emerging countries. Emerging economies cover 77% of the world’s land mass, have more than 80% of the world’s population, hold more than 65% of the world’s foreign exchange reserves, and account for about 50% of the world’s

¹⁸ Ibid.

¹⁹ Logue, Anne. *Emerging Markets for Dummies* (Indianapolis, IN: Wiley, 2011), 9.

gross domestic product (GDP). In 2010, about 5.7 billion people resided in emerging countries; that's about five times the 1.2 billion populations of the developed markets. China and India alone account for more than 2.5 billion people, that's almost four times the approximately 700 million in the United States and European Union.²⁰

This fresh gaze on the world and its cartographic re-imagination in the age of open markets is significant in at least two related ways. First, the very language of classification and naming of the world regions in terms of developed/emerging both invokes and overcomes the earlier taxonomies shaped in the mid-twentieth-century decolonization moment. Second, the regions outside the developed world are now seen in terms of potential and promise, and even as an attractive source of economic optimism. These two features appear in tandem to grade and rank world regions in commodity form. The principle of this world order unfolding along the readily apparent axis of economy and politics is captured succinctly in Mark Mobius' popular guidebook called *The Little Book of Emerging Markets*, in which he directly asks and answers: "Why invest in emerging markets? Because that's where the growth is."²¹ That economic growth is crucial in the pursuit of national interests has now become a matter of common sense, and that explains the search for ever-new market territories that can be opened up to investors.

Against this logic of economic growth potential, then, the world in its commodity form is graded and ordered in four categories: (1) developed markets, (2) emerging markets, (3) frontier markets, and (3) pre-emerging markets. This classification is not restricted to expert policy papers, scholarly interests, or major corporate investors; it is now circulated widely and prescribed in popular literature consumed by an ever-growing number of small investors. Consider the vastly popular guidebook for those keen on building individual investment portfolios, Ann Logue's *Emerging Markets for Dummies*, which defines the order as follows:

Emerging markets are those countries that have growing economies and a growing middle class. Some of these countries were once poor, and some still have high rates of poverty. Many are undergoing profound social and political change for the better. Another class of country, *frontier markets*,

²⁰ Mark Mobius. *The Little Book of Emerging Markets: How to Make Money in the World's Fastest Growing Markets* (Singapore, John Wiley & Sons: 2012), 12.

²¹ Ibid.

includes those nations that are very small, are at an early stage of economic development, or have tiny stock markets. These markets present opportunities for patient investors with an appetite for risk. The poorest of the world's nations are considered to be *pre-emerging*: these markets have few opportunities for investors now, but they could become really interesting in the years to come so they're worth watching.²²

What is left unsaid in this description is that each of these market categories eventually aspires to become "developed" or "mature," just like Euro-American markets. The world in its commodity form is imagined and ordered along a scale of temporality that mimics the earlier discourse of development. If developed, developing, and underdeveloped were the stages of modernity that defined the mid- twentieth-century decolonized world, the categories of developed, emerging, frontier, and pre-emerging mimic those stages, albeit in the twenty-first-century framework of markets. This promise of modernity, of "catching up" with the developed world, is reiterated in the language of markets, too. The difference is that the markets need not sit in the "waiting room of history" forever; they can fast-forward their arrival on the global stage by opening up to global investors.²³ In other words, the shift to markets is presented as a matter of choice, of greater autonomy to accelerate the process of joining the modern world.

The temporal order of world regions in the commodity form differs from the previous development discourse on yet another significant count. Here, to lag behind is not necessarily a disadvantage but, on the contrary, precisely what makes the nation attractive to investors. Consider the proposition of appetite for risk that Logue refers to in connection with frontier and pre-emerging markets. Logue repeatedly invokes the popular dictum of capital investment—the higher the risk, the higher the profit—well understood in investment circles. These regions are positioned on the higher scale of risk and are deemed "yet untapped," waiting to be "opened up" at a later date. To put it differently, the lower the scale of development, the higher the risk, and, consequently, the higher the potential that remains to be exploited. The world, then, is arranged along speculative

²² Logue, *Emerging Markets for Dummies*, 10.

²³ Ravinder Kaur and Thomas Blom Hansen. "Aesthetics of Arrival: Spectacle, Capital, Novelty in Post-Reform India." *Identities: Global Studies in Power and Culture* 23, no. 3 (2016): 265. Ravinder Kaur. "Post-exotic India: On Remixed histories and smart images." *Identities: Global Studies in Power and Culture* 23, no. 3 (2016): 307–326.

stages of market and a range of unending possibilities in the present and future for lucrative investments. The investment experts describe these stages of market as unique “states of emergence” where worlds continue to evolve into profitable markets that can shape the fortunes across the globe.²⁴

This imagination of the world is reflected in the new form of investor-friendly cartography that maps the world according to different states of emergence. Consider the heat map of the world produced by Morgan Stanley Capital International (MSCI) in July 2014.²⁵ The publicity brochure opens with the suggestive question “Can you feel the heat?” which then leads customers to an interactive world map. Loaded with sexual connotations, the notion of heat in market terms refers to how ripe and ready a nation-market is for investments and what profits it might yield at a given moment. The map promises to “capture the world” via interactive tools that can help plot a nation’s current market position as well as trace its development in the last decade. The green and red dots illustrate at a glance how hot or cool a market is—green stands for profit and red for stagnation. A vast number of green dots scattered across Asia, Africa, and the Americas signal booming economic opportunities whereas the red clusters in Europe show the decade-long effects of economic stagnation since 2008. The heat factor is indeed monitored and measured continuously in markets considered attractive overall.

At the heart of a market’s attractiveness is the old question of profitability—or what is perceived as not only potentially rich but also accessible to investors. The broad markers of potentiality on a world scale are thus already familiar—nations with large territories, large populations, skilled and cheap labour force, and a vast middle-class consumer base are deemed to be most lucrative by investors. For example, the idea of BRICS effectively packages some of the largest territories and populations across continents together as a coherent market proposition.²⁶ It also signals the post-Cold War transformations that saw postsocialist and postcolonial nations gearing up to make large-scale pro-market reforms. BRICS, thus,

²⁴ Franklin Templeton. *States of Emergence: The Evolution of Emerging Markets Investing* (New York, Franklin Templeton Investments: 2014), 2.

²⁵ “MSCI Emerging Markets Horizon Index Methodology, July 2014,” PDF file, www.msci.com/eqb/methodology/meth_docs/MSCI_Emerging_Markets_Horizon_Index_Methodology_Jul14.pdf (accessed July 14, 2016).

²⁶ These parameters form the basic indicators deployed to identify BRICS as the most lucrative territories. See O’Neill, *The Growth Map*, 25–40.

have come to occupy an enviable status within the larger notion of emerging markets—they signal both potential rich returns and entry into that abundant market territory.

Yet the attractiveness of markets is not a given; in fact, it is characterized precisely by speculative fluctuations. It requires a constant performance of iteration that can confirm (or refute) the status of attractiveness. The market territories, thus, are monitored, measured, and graded on a scale of attractiveness. If high ratings on the attractiveness scale serve to boost the fortunes of a given market territory, lower ratings serve as critical moments of course correction, putting political pressure on countries to introduce more reforms to liberalize markets ever further. A number of tools and market indexes have emerged in the past decade, each of which promises investors an accurate measure of market territories around the world. While the MSCI heat map monitors markets on a daily basis, others appraise biannually or annually. The release of these appraisal reports often turns into a national event, sewn seamlessly into national publicity campaigns and electoral battles.

Take the single-country “attractiveness survey” conducted annually by Ernst and Young (EY). Titled “Ready, Set, Grow,” the survey is “designed to help businesses make investment decisions and governments remove barriers to future growth.”²⁷ The report promises to present both reality and perception, that is, the actual inflow and impact of foreign direct investment as well as future scope. The twofold methodology thus draws upon financial data as well as feedback from international business leaders and policymakers. In fact, the perception of international decision makers is crucial, and it forms a kind of endorsement of a given market. The 2015 EY survey endorsed India as the most “attractive investment destination” in the world. The verdict was that “while the speed of economic reforms may vary, the direction is firmly set toward higher growth.”²⁸ It was both an endorsement and a gentle encouragement to bring the long-awaited second line of economic reforms up to speed.²⁹ In short, the perception of attractiveness needs to be constantly boosted. This is where publicity and

²⁷ Ernst Young, *Ready, Set, Grow: Ernst Young Attractiveness Survey: India 2015*. Mumbai: EYGM Ltd. [https://www.ey.com/Publication/vwLUAssets/ey-2015-india-attractiveness-survey-ready-set-grow/\\$FILE/ey-2015-india-attractiveness-survey-ready-set-grow.pdf](https://www.ey.com/Publication/vwLUAssets/ey-2015-india-attractiveness-survey-ready-set-grow/$FILE/ey-2015-india-attractiveness-survey-ready-set-grow.pdf) (accessed on March 26, 2019).

²⁸ Ibid., 3.

²⁹ On the politics of economic reforms, Ravinder Kaur. “Good Times, Brought to You by Brand Modi.” *Television and New Media* 16, no. 4 (2015): 323–330.

exhibition of a nation-market become an integral part of the commodification process.

WASTE TO WARE

Let me take you to Davos—to witness a brief moment of actual transformation of a Third World nation into an attractive investment destination. If you walked uphill from the WEF Convention Centre in Davos towards the Promenade and went past the Kirchner Museum, the exclusive Hotel Belvedere, and upscale boutiques, you would find the “India Adda” or the “Make in India” lounge to your left ensconced in a row of cafes.³⁰ I visited the lounge for the first time in 2012, drawn to the promise of a magical display of the fabled “India Story” on a global scale. The popular refrain among the nation-branding experts I had been working with in Delhi was that “if you truly want to see India’s arrival on the global stage, you should go to Davos.” The lounge, as I gathered, has appeared annually on the Promenade since 2011 as a way to consolidate the euphoria of India’s stunning 2006 campaign debut—“India Everywhere”—and portray the country as an attractive investment destination in the global economy. The Adda/Lounge is the theatre where we witness the spectacular shift in the sign of India from an exotic destination to an attractive investment destination (Fig. 3).

The term *adda* is commonly used in several Indian languages to denote a place of gathering, dwelling, assembly, or platform. It appears in everyday life to signify a wide range of routine functions, spaces, and objects—from bus stations, wooden frames, and work platforms to a gregarious assembly of friends—intimately connected with modes of work and rest.³¹ *Adda* is often used in a double sense—it is both a space of socialization and a space for “idlers” and “pleasure seekers,” a meaning laden with moral disapproval of those appearing to shirk labour.³² However, in Davos,

³⁰This section is based on my fieldwork at the World Economic Forum in Davos conducted during the WEF Annual Meetings in 2012, 2013, and 2015. The “India Adda” is the site where investors, policymakers, journalists, and celebrities get together to partake in India’s commercial culture.

³¹Building on the word *ad*, a variation of the Sanskrit root *ardh* or *aardh* in Hindi, *adda* denotes on the one hand division into two parts and, on the other, an assemblage of different parts.

³²Dipesh Chakrabarty has traced the genealogy of the modern form of *adda* through nineteenth- and twentieth-century Bengal. See Dipesh Chakrabarty. “Adda, Calcutta:



Fig. 3 “Malaysia: Doing Business, Building Friendships,” World Economic Forum Annual Meeting, Davos, 2015. Photograph by the author

we witness the dramatic shift in the cultural meaning of *adda*. Consider this inscription on the main wall which forms the centrepiece of the *adda*/lounge:

The “adda” is the quintessential Indian hangout intricately woven into the country’s social fabric. This is where bonds are built, games are played and dreams are dreamt and shared.

Dwelling in Modernity.” *Public Culture* 11, no. 1 (1999): 109–145.

The use of techno-friendly language of global corporate culture radically alters the cultural meaning by translating *adda* as an open “hangout” for the seekers of Brand India. What was once considered a *waste* of time is converted into a valuable *ware*—a unique cultural essence at the heart of Brand India. In doing so, a cultural form is instantly turned into a productive asset in the service of global capital, and the old exotic India is turned into a brand new investment destination worthy of global capital. In this transformative moment, we witness too how the Third World sheds its old skin made of dystopia and chaos to become a sign of profit and potentiality. At the World Economic Forum 2011, *adda* was projected as “a cool way to project that [Indians] are people who do business in a friendly, peaceful and non-threatening way,” in a thinly veiled allusion to neighbouring China.³³ Once the market value of *adda* was defined, the very custodianship of the concept of *adda* was then claimed by the Indian state. A pre-publicity press release issued by India Brand Equity Foundation (IBEF) stated: “Being the owner of the India Adda concept, IBEF hopes and wishes that [the] India Adda experience continues to be a cherished one for all its guests and visitors.”³⁴ In this message of goodwill, the cultural production of *adda* quietly changed hands to be directly inherited and controlled by the corporatized state.

This mutated form of *adda*, then, was appropriated and rearranged in an altogether different species of global practice—of networking—that is considered indispensable to business transactions. More specifically, it was now pitched as the original and authentic forbearer of the modern form of corporate networking. *Adda* was positioned as the space where the captains of industry could lean back, think, draw a deep breath, strategize, and then network—a kind of luxury that is unavailable in hectic, high-speed work life. India Adda provided the breathing space, a precious pause before accelerating the pace of global capital. Global investors were invited to participate in this cultural difference morphed in a global frame. An invitation posted online read as follows: “The India Adda at the World Economic Forum takes this concept of idea exchange and conversations to a different level. The India Adda is more than a physical space, it is a

³³ “IBEF—Leading the Brand India Initiative at Davos 2013,” IBEF Press release, Davos, January 21, 2013, <https://www.prnewswire.com/news-releases/ibef%2D%2Dleading-the-brand-india-initiative-at-davos-2013-187713571.html> (accessed March 26, 2019).

³⁴ India Brand Equity Foundation blog, www.india-davos-blogs.ibef.org/India%2D%2D-Innovates (accessed July 12, 2016—link no longer active).

concept of sharing and communications—an ambience that encourages the free and frank exchange of views. It is meant for sharing. For networking. Or just for soaking in the atmosphere and enjoying Indian hospitality. Hope to see you there.”³⁵

This relaxed, informal tone pitched *adda* as a cool, happening place even as it radically altered its key features. For one, the very act of conversation was assigned a dramatically different function to perform—from being a sign of idleness and lack of purpose to now being a productive mode of labour, innovative ideation, or even corporate-style brainstorming. This turn suggested a pragmatic reconfiguration of *adda*, given the fact that a vast number of participants at WEF come precisely to network with other businesses, heads of state, media, and other influential opinion makers. As a popular saying among Davos insiders goes, “It is not who you are, but who you know that matters,” especially in the corporate world where business negotiations are often conducted in tandem with government agencies and civil society actors. The value of informal social networks and associations in the accumulation of power, knowledge, and capital is clearly well understood and practised in the enterprise of free market. The conversations at the *adda* in Davos were now being redirected towards the gainful task of value generation for the nation. They also helped position India as the host of such important exchanges in the global arena. The emergence of India in the global investment landscape was described in the official report on India Adda as follows: “Amongst the hubbub of conversations sparked by minds meeting across continents, relationships were renewed, fresh bonds were built, and the awareness spread that India means business.”³⁶ India’s intent to be seen as a serious investment destination was reified, “and everyone who visited the India Adda went away with India’s message firmly etched in their minds. And in their hearts.”³⁷ The success of the *adda* was now directly linked to its capacity to reiterate India’s neoliberal credentials and to enhance India’s value in the eyes of the investors by forcefully conjuring a tantalizing vision of profit-making opportunities—in minds as well as hearts.³⁸ The

³⁵ Ibid.

³⁶ IBEF. “Brand India: At the Annual Meeting of the World Economic Meeting, January 27–30, 2013, Davos” (New Delhi, India Brand Equity Foundation: 2013), 4.

³⁷ Ibid., 16.

³⁸ Harish Damodaran. “‘Cool’ India Offers Inclusive Growth for All.” *Hindu Business Line*, January 26, 2011. www.thehindubusinessline.com/todays-paper/cool-india-offers-inclusive-growth-for-all/article2327296.ece (accessed on March 26, 2019).

invocation of “hearts” here raises the stakes. It seems as if the *adda* is expected to activate a deeper sentimental commitment among the foreign investors, rather than a purely rational economic engagement prone to cycles of boom and bust. Brand India not only seeks global capital flows but also wants to be loved by its consumers.

The accrued value of India as an attractive investment destination is further boosted in the spatial reconfiguration of the *adda* as a sign of *accessibility*, an entry point into the Indian market.

The sign of India at the India Adda represents both the semiotic enclosure of a nation-state and a lucrative market awaiting global investors and, in the process, alignment of the interests of the sponsors (corporations) with that of the sponsored object (India). The physical space of India Adda makes palpable this public–private convergence of interests, revealing the government–business dynamic where capital emerges as the dominant player in Indian politics.

THEORIZING NEW ECONOMIC FRONTIERS

The history of global inequality is the history of capitalism, or how the world territories came to be incorporated into the circuits of capital. Since 1990s, this process came to be known as globalization. It was an old phenomenon dressed up as new, this time as the spectacular moment of liberal triumphalism. By way of conclusion, I trace this contemporary shift.

In his work on contemporary world systems *In the World Interior of Capital*, Peter Sloterdijk argues that capitalism has come to arrange all conditions of human life. The age we inhabit called globalization, he suggests, is characteristic of exclusivity much like the nineteenth-century “world of commodities in a sheltered promenade, the gigantic Crystal Palace ... [sustained by] absorption of the outside world in a fully calculated interior.”³⁹ Its twenty-first-century global form, he further argues, is shaped along invisible borders that create an interior and exterior, the inner zone of capitalist comfort that shuts out a large number of the human population. Indeed the question of global inequality—first/third,

³⁹ The term *globalization* is often used as a proxy for capitalism without naming the thing, and Sloterdijk puts it to use precisely in this vein. Sloterdijk, Peter. *In the World Interior of Capital: For a Philosophical Theory of Globalization*. Translated by Wieland Hoban (Cambridge, Polity Press: 2014), 175.

core/periphery, rich/poor worlds—has long been central to debates on the postcolonial condition, and in recent years it has gained a new urgency on a global scale. Building on a growing critique of the forward march of capitalism dressed up as globalization in the 1990s, Sloterdijk addresses the multiple forms of exclusion that shape the contemporary world at large. But what is particularly telling about his argument is the choice of the metaphor crystal palace—a spectacular sign of European modernity—he invokes to describe the “world interior,” or the overt and covert workings of the modern capitalist systems.⁴⁰ Although his outright effort is to move beyond the core/periphery imagination of world systems,⁴¹ his invocation of Crystal Palace risks reinforcing the very thing he sets out to challenge, namely, European capitalism as a universalizing force. At the very least, it signals the limits of imagination that keep us within what is readily familiar.

It would serve us well to recall that the nineteenth-century Crystal Palace was not just a dazzling sign of consumption; it was, first and foremost, an accumulation and seductive display of the colonial world that had been discovered, conquered, and curated by European powers in the previous two centuries. What kind of world interior/exterior is shaped in this moment of *rediscovery* when the global territory—now made of distinct nation-states—is being explored afresh as a potential and accessible free market? For Sloterdijk, the glittering worlds of global consumption constitute an ongoing expansion of Crystal Palace, an artificial continent invisible to eyes floating in its own orbit. Put differently, this account of the history of capitalist expansion is an unbroken lineage that begins in Crystal Palace and spreads out to the rest of the world—the old story of “Europe first, then rest of the world” unwittingly rehearsed once again. Yet we can barely make sense of global capitalism from its old interior. It is precisely from elsewhere, the erstwhile exterior now renamed as emerging market, that we gain insights into the workings of global capital. The global South, now deemed to be the frontline of capitalism, foretells the ways in which the future of the commodified world might unfold.

But before we move to the “elsewhere,” it is important to note that the Crystal Palace has long been shorthand for the “commodity worlds” that Walter Benjamin called “the places of pilgrimage to the fetish commodity”

⁴⁰ Sloterdijk draws upon Dostoyevsky’s account of his 1862 London visit, “Notes from the Underground,” to describe the Crystal Palace as a hubristic construction. See *ibid.*, 167–169.

⁴¹ *Ibid.*, 10.

or even the “phantasmagoria” of the “capitalist culture” that came into being in the nineteenth century.⁴² It was the popular name of The Great Exhibition of the Works of Industry of all Nations held in 1851 in London. It referred to the actual site of the exhibition, a light and airy prefabricated modern structure made of glass, iron, and wood, a technological world wonder of its time that represented British industrial prowess and imperial dominance in the mid-nineteenth century. Harnessed to the technoscientific spirit of the Industrial Revolution and availability of precious raw material from the colonies, the Crystal Palace was the stage where the enchanting world of commodities from far-off places was revealed. Here the public at large could witness the “magnificent spectacle” of “human industry” that the Western civilization had made possible.⁴³ The Crystal Palace was the theatre where this spectacular performance of the world in its commodity form unfolded on a mass scale. That the world now, more than ever, was seen as a repository of extractable commodities was evident in a map accompanying the official catalogue of the 1851 exhibition—the map not only marked names of locations but also identified those places in terms of raw material and manufactures. The catalogue described the events as a “vast international stock taking” of the world’s industry; the catalogue described itself as a “great trades directory informing us where we are to seek for any particular kind of manufacture—a natural history, recording the localities of almost every variety of native production—and a cyclopedia, describing how far science has ministered to the necessities of humanity, by what efforts the crude products of the earth have been converted into articles of utility.”⁴⁴ The world discovered by European imperial powers was now ordered as a rich catalogue of commodities graded along the taxonomies of products both rough and refined, extracted and yet waiting to be extracted at a future date. The Crystal Palace stood as the powerful sign under which all the commodities the colonial world had to offer could be assembled under one roof. In short,

⁴² Walter Benjamin. *The Arcades Project*. Translated by Howard Eilan and Kevin McLaughlin (Cambridge, MA, Harvard University Press: 2003), 18.

⁴³ Jerome Adolphe Blanqui, a French political economist, wrote a series of letters describing the 1851 exhibition. Quoted in Lara Kriegel. *Grand Designs: Labor, Empire and the Museum in Victorian Culture* (Durham, NC, Duke University Press: 2007), 86.

⁴⁴ *The Great Exhibition: London’s Crystal Palace, The Great Exhibition: London’s Crystal Palace Exposition of 1851* (New York, Gramercy Books: 1995), 7. Also *Great Exhibition of the Works of Industry of All Nations, 1851: Official Descriptive and Illustrated Catalogue (I–III)* (London, William Clowes & Sons: 1851).

the “elsewhere” could be summoned “inside,” and, of course, it is this immense drawing power that created the world interior of capital to begin with.

The twenty-first-century world-as-commodity, however, is arranged in a vastly different form. To continue to see it merely as an enlarged Crystal Palace is to overlook significant characteristics that underpin the very taxonomy of emerging/frontier markets. For one, the “elsewhere” is no longer taken to be a territorial mass that European explorers could discover, conquer, and name. The decolonized world is made of territories that are named, recognized as nation-states, and said to be sovereign entities in control of their destiny. The commodity surplus available within these territorial enclaves is claimed by the state power, and to access this surplus national trade barriers need to be overcome. This explains the half-century-old script of “opening up” economies the world over ostensibly to free markets contained within national apparatuses. Press fast-forward, and what we witness is the dramatic transformation of the nation form into commodity form when the decolonized territories seek power and influence on the global stage by packaging their resource surplus as attractive investment destinations available in the open markets. The proliferation of nation brands—complete with logos, taglines, and competitive investment packages—is a testimony to this yet unfolding shift. The contemporary investor-explorers navigating the world in search of resources and surplus rediscover a series of territorial enclaves dressed up as branded commodities. Put differently, the nations in their branded forms are made intimate, and reintroduced in the world of investors through the spectacle of advertising.⁴⁵ The annual scene we witness on the Promenade in Davos—teeming with the dazzling signs of nation brands—is indicative of this production of nationalized brand worlds.

The world-as-commodity is defined precisely by the political method of objective separation of economic value from territories and its people. The extraction of natural resources, the availability of cheap skilled labour, and minimal state control over capital flows constitute the basic ingredients of market-worthy territories. Yet what makes a territory attractive is its overall packaging and in the global publicity that signals openness to investments. The logic of the attractive investment destination informs the push to create nation brands, on the one hand, and the classification of the

⁴⁵ William Mazzarella. *Shoveling Smoke: Advertising and Globalization in Contemporary India* (Durham, NC, Duke University Press: 2003), 186.

world as market on the other. Indeed, the impulse to explore regions and territories for their commercial potential is an old one. And what has long attracted explorer-investors to fresh territories is the possibility of yields in the present and future. (Of course, a well-known example is the discovery of the New World and its endless evaluation by explorers and experts of its speculative worth in markets).⁴⁶ What is new in this moment is that the dynamics of attraction are shaped in mutual collaboration and competition rather than through pure territorial conquest by force. The rediscovery of the new economic frontiers is an invitation-only event. If investor-explorers have always been drawn to new commercial potentialities, now the nation brands actively persuade them to consider their market-worthiness. Visitors are invited to consider in an orderly manner objective facts and figures about the nation's market-worthiness that may have been buried in competing narratives.⁴⁷ The campaign to publicize Brand India at the Adda/Lounge hints at the new market-based relationship that binds the commodified world and its potential investors together. The legitimacy of state power increasingly depends on the state's ability to earn revenues by selling the nation as an attractive proposition. In this, the nation brand mimics the investor who desires to increase profits and revenues.

The world-as-commodity is in constant flux—the old settled associations of North/rich/developed and South/poor/developing appear to be increasingly unstable. The ability of capital, forever in search of cheap labour and resources, to overcome national boundaries means an unending cycle of extraction, enrichment, and eventually abandonment. Without a shade of irony, then, we hear about the Third Worldization of the First World, or of the South in the North, to describe zones of deprivation created after the partial loss of manufacturing operations in Euro-America.⁴⁸

The idea of the Third World has not expired; it has simply expanded in new locations. At the same time, the logic of market competition between

⁴⁶ Alistair Macer. "The New World as Commodity: Understanding the *Drake Manuscript* or *Histoire Naturelle des Indes* and Samuel de Champlain's *A Voyage to the West Indies and Mexico* as Expressions of Commercialization in Early Modern Europe." *Terrae Incognitae* 39 (2013): 38–51.

⁴⁷ On the question of objectification in the capitalist order, see Mitchell, *Colonising Egypt*, 18–19.

⁴⁸ For example, Detroit is often offered as an example of this phenomenon—of rising poverty and falling standards of education and health. See Todd Meyers, and Nancy Hunt. "The Art of Medicine: The Other Global South." *Lancet* 384 (2014): 1921–1922.

locations—North and South—has become more apparent. The emergence of visible nation brands in the emerging markets firmly challenges the dominant Euro-modernist narrative that holds the South as being behind the curve, always following the established path of modernity. The post-colony-turned-emerging frontier is neither lagging behind nor playing catch up; it foreshadows the ways in which the global political economy is being reshaped. To quote Jean and John Comaroff, the South is the harbinger of future that “affords the privileged insight into the workings of the world at large.”⁴⁹

Consider how more and more Euro-American territories—nations and cities—objectify themselves as commodities and competitive market propositions for investors, especially after the recent financial recession. In the world-as-commodity, nation brands are becoming ubiquitous even as the natural relationship between democracy and the free market is challenged. Instead, the making of nations as branded commodities unfolds along with rising authoritarianism where image can be guarded more effectively than in a noisy, democratic framework. Amid political uncertainty and fears of populism, the world-as-commodity is what remains certain.

⁴⁹ Comaroff and Comaroff, *Theory from the South*, 1.