

## **THE DEBATE ON THE RELATIONSHIP BETWEEN GLOBALIZATION, POVERTY AND INEQUALITY: A CRITICAL OVERVIEW**

**Vicente Valentim**

[vicentedinisvalentim@gmail.com](mailto:vicentedinisvalentim@gmail.com)

Master's degree in Political Science (ISCTE, Portugal). Degree in Piano Jazz by the School of Music in Lisbon, Lisbon Polytechnic Institute. He concluded Minor in Political Science at the Faculty of Social and Human Sciences, New University of Lisbon

### **Abstract**

On this theoretical article, I critically present the ongoing debate on the relationship between globalization, poverty and inequality. To do so, I rely on the typology put forward by Held & McGrew (2007), which divides scholars between two main approaches: the globalists and the skeptics. Among the first approach, one can then distinguish between neoliberal globalists and transformationalist globalists. Among the second one, one can distinguish between realist skeptics and Marxist skeptics. I go through the most important thinkers of each of these four perspectives, summing up the most influential arguments put forward to support their view. By grouping the views of these scholars, I show similarities and differences between the four perspectives and thus contribute to making the debate more clear. In a further section, I critically assess these arguments, identifying some of their strengths and shortcomings.

### **Keywords**

Globalization; Inequality; Poverty; Globalism; Skepticism.

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## **THE DEBATE ON THE RELATIONSHIP BETWEEN GLOBALIZATION, POVERTY AND INEQUALITY: A CRITICAL OVERVIEW<sup>1</sup>**

**Vicente Valentim**

### **1. Introduction**

This theoretical article aims to introduce the core arguments that polarize the debate on the relationship between globalization, poverty and inequality, in a critical manner.

The aforementioned debate is a most important one. First of all, its importance relies on the fact that at its core lies a concern about human misery and the most effective way in which to tackle it. Furthermore, in recent years, disagreements concerning this issue have spurred an intense controversy, not only at the academic level, but also at the political level, with different sides advocate diverging sets of policy proposals to tackle poverty and inequality. This disagreement has triggered a large amount of literature being published on this topic over the last years.

Against this background, this article has two main objectives. The first is to present the main perspectives regarding this relationship, by referring to the thinking of some of its most influential authors. To do so, I will address the views held by the each of those perspectives concerning the following three points: whether or not globalization is an empirically verifiable phenomenon; in which way, if any, do globalization, poverty and inequality interact; and what kind of policies should be brought about as a ways of tackling poverty and inequality. The temporal focus of the article is on post-cold war developments, as this was the period in which the various debates concerning globalization became more intense, including the one with which this article is concerned. Nevertheless, occasional references will be made to earlier studies that are too influential to be left aside.

The second objective of the article is to critically review the responses given to these questions by the several perspectives presented, through a focus on some of their strengths and shortcomings.

I shall carry out these two objectives by dividing the views of different scholars according to two broad views, each of which is then subdivided into two perspectives. Such a division is extremely helpful, as it allows one to identify similarities and dissimilarities between the thinking of a great number of scholars, thus making the debate much more clear.

The criteria used for dividing scholars into different perspectives will take into account that the debate comprises two dimensions: one that is analytical, or empirical, and one that is normative (Gilpin, 2001). The empiric dimension concerns whether or not scholars

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perceive globalization as a real and powerful process. The normative dimension concerns whether or not scholars believe that the consequences of globalization over the overall levels of poverty and inequality are, all in all, positive.

The scholars presented in the article will be divided according to their stance on these two dimensions, following the typology put forward by Held & McGrew (2007). According to these authors, one can first of all identify an opposition along the empiric dimension, between globalist scholars – transformationalist and neoliberal –, who regard globalization as an observable phenomenon, and skeptic scholars –Marxist and realist –, who do not. Concerning the normative dimension, one can place neoliberal scholars in one end, being highly favorable to policy measures that bring about greater market integration. On the opposite pole stand Marxists, perceiving globalization as a normatively undesirable process. Transformationalists fall in the middle for, even though they believe globalization has brought about a great deal of negative consequences, their policy prescriptions are usually towards *changing* the way in which integration is made, not towards trying to *stop it*. Realists have a more ambiguous position on this issue, as they do not necessarily perceive the overall outcomes of the globalization process as being positive or negative. Instead, they argue that these outcomes are no more than reflexes of interactions between different states with unequal power relations, each pursuing its own national interests.

Before we come to the discussion itself, it is important to define the three main concepts upon which the article draws. The first one is that of globalization. On this article, I follow Steger's (2003: 13) definition of globalization

*"a multidimensional set of social processes that create, multiply, stretch, and intensify worldwide social interdependencies and exchanges while at the same time fostering in people a growing awareness of deepening connections between the local and the distant".*

Following the same author, I assume globalization to comprise four main dimensions: an economic, a political, a cultural and an ecological one. The debate with which I am concerned here relates to the first one, to which Steger (2003: 37) refers as

*"the intensification and stretching of economic interrelations across the globe".*

Central to this dimension is the extension of the reach of markets throughout the world, which creates new linkages between national economies.

The second core concept is that of inequality. There are several kinds of inequality: people can be unequal in terms of their access to health, power, security, or income, for example. This article is concerned with the latter kind. However, even when we focus exclusively on income, inequality can be measured according to different concepts. One needs to distinguish inequality between countries measured through the differences observed in the income of each of those countries; from inequality between countries



measured through the differences observed in their mean incomes, weighted by their population; and from inequality between the world individuals, regardless of the country they live in (Milanovic, 2006: 1).

In the third place, regarding poverty, I rely on the UNESCO (2016: 1) definition, according to which

*"income poverty is when a family's income fails to meet a federally established threshold that differs across countries".*

A commonly used standard for the definition of extreme poverty is the \$1 a day threshold (US purchasing power parity).

Once these three concepts have been defined, the remaining article will be structured as follows: the second and third sections will deal with the first objective of the article – that of presenting the four main perspectives that polarize the debate on globalization, poverty and inequality. I shall begin with the presentation of the two globalist perspectives, and then follow with the presentation of the skeptic approaches. For each perspective, I will address the three questions mentioned above: whether or not its scholars believe globalization to be an empirically observable phenomenon; what is the nature of the relationship between globalization, poverty and inequality, if there is indeed such relationship; and what policies should be prescribed in order to tackle poverty and inequality. After that, the fourth section will deal with the second objective: that of critically assessing the four perspectives presented in the previous sections. Finally, the fifth section concludes the article, by referring to its main contributions.

## **2. The globalists: transformationalists and neoliberals**

Regarding the first point that I am to address – whether or not globalization is an empirically observable phenomenon – there is an agreement between the two globalist perspectives under discussion. Both transformationalist and neoliberal authors regard the process of globalization as something significantly different from all other processes that mankind has witnessed. Therefore, the discussion between these perspectives focuses on the two remaining points under discussion here: the way in which globalization interacts with both poverty and inequality; and the kind of policies that should be followed in order to tackle poverty and inequality. Plainly put, their disagreements revolve around Gilpin's (2001) normative dimension.

Regarding whether or not globalization does have a relationship with poverty and inequality, neoliberals state that it does, and that the outcome of such relationship is mostly positive. According to this view, globalization leads to lower levels of poverty and inequality because it enables foreign companies to invest in poor countries, thus creating new jobs, and fostering economic growth that lifts people out of poverty (Stiglitz, 2001). Also, the removal of trade tariffs enables the creation of a world competitive market in which protectionism is discouraged, which means that poor countries have it easier to export their products (Martell, 2010). Again, this leads to enhanced business opportunities, job creation and economic growth, as well as to the creation of a world labor division, which enhances poor countries' chances of development (Held & McGrew,



2007). Furthermore, globalization brings about higher levels of knowledge sharing that can benefit the economic activities of poor countries (Friedman, 2005), as well as a liberalization of finance that encourages foreign investment in those nations (Martell, 2010). And the fact that countries are open to foreign aid has enabled a large number of development programs to cope with problems such as AIDS, education, and many more (Stiglitz, 2001).

On the other hand, transformationalists also see a relationship between globalization, poverty and inequality but, in sharp contrast with the neoliberal perspective, they regard the outcome of such relationship as a mostly negative one. According to this view, the contemporary process of globalization is rather pushing towards *higher* levels of poverty and inequality.

Transformationalist authors criticize several points of the neoliberal argument. Their first criticism is that there is a high level of hypocrisy on the part of developed states: even though they put pressure on poor countries to remove restrictions on trade, most of them do not remove *their own* restrictions (Held & McGrew, 2007). But even if there were no such hypocrisy, the liberalization of trade when countries are in such unequal development stages is bound to leave poor countries without a chance of competing with products from wealthier countries (Martell, 2010). Also, the new division of labor that neoliberals praise is not actually reducing the levels of inequality and poverty. Instead, it is just *reshaping* their pattern: instead of a North vs South divide, we now have a winners of globalization vs losers of globalization one (Hoogvelt, 2001). What is more, financial deregulation brings about abrupt outflows of money, which make the home economies of developing countries very unstable (Stiglitz, 2001). And, as far as foreign aid is regarded, it forces poor countries to carry structural adjustments that lead to greater levels of poverty and inequality (Martell, 2010). Because of that, even foreign assisted programs that did lead to positive outcomes ended up leaving the aided country with large debts to pay (Stiglitz, 2001).

The reasons mentioned above lead transformationalists to take issue with the neoliberal idea that globalization is the path towards lower levels of poverty and inequality. Whereas for neoliberals it is insufficient levels of trade and finance openness that are responsible for the persisting levels of inequality and poverty, for transformationalists it is the globalization process itself that should be seen as the main explanation for such levels.

It is important to illustrate this discussion on how globalization, poverty and inequality interact by looking at the findings of some influent empirical studies. Let us first address within-country inequality. One early famous study, published long before the ending of the cold war, is the one by Kuznet (1955). This author analyzed the economies of the United States, England and Germany, leading him to the conclusion that the evolution of within-country inequality follows what became known as the Kuznet's Curve: in a first period – the early days of industrialization and urbanization – income inequality tends to rise. But, in a second period,

*"a variety of forces converged to bolster the economic position of the lower-income groups"* (Kuznet, 1955: 17),

thus reducing inequality.



However, there have been some objections to this idea. One famous author to challenge it is Piketty's (2014). This author has studied the distribution of wealth in France, United States and Britain, through a long time range of one century – in the case of the two Anglo-Saxon countries – and of over two centuries – in the case of France. From this analysis, Piketty concludes that, historically, within-country inequality has taken the shape of a U-Curve: after the great levels of inequality that could be found before World War I, the post-war period witnessed a decrease in those levels. However, from the 1980's there has been a new rise in inequality levels, a discovery that led the author to argue that we could be entering a new *Belle Époque*.

These two studies are a first sign of how both globalists and neoliberals have empirical data that supports their claims. Such controversy can be found when we focus on between-country inequality, as well. For example, Milanovic's (2011: 4) data suggest that, in the mid 19<sup>th</sup> century,

*"the ratio between the top and the bottom (of country mean incomes) was less than 4 to 1".*

But that ratio has largely increased to 100 to 1 in 2007, thus meaning that most global income differences today are dependent on location.

On the other hand, neoliberal authors assume that growth is distribution neutral, meaning that changes in income inequality through time are uncorrelated to levels of economic growth. Therefore, if the level of economic growth does not, *in itself*, lead to higher income inequality, then higher levels of growth will, on average, lead to a decrease in absolute levels of poverty (Ravallion, 2004).

Dollar & Kraay's (2004) famous study makes a similar claim. Furthermore, these authors draw a causality nexus between trade openness and growth: the rising growth levels that accompany market integration translate in a proportional rise on the income of the poor, which explains the decreasing levels of absolute poverty that these authors have found among globalizing countries. Apart from that, they hold that the so-called "globalizers" (*i.e.* developing countries that opened their economies to world trade) are catching up to rich countries, while countries that did not open to the world economy are lagging behind. The authors do acknowledge, however, that globalization does produce winners and losers, especially in the short run, and thus call for the need to adopt welfare policies as a complement to market openness. Nevertheless, they hold that, because market integration produces wealth, globalizing states will be in a better position to pursue such policies.

Let us now concern the last definition of inequality, the one measured between individuals, without looking at the country they live in. Some authors (e.g., Fischer, 2003) argue that one cannot find a trend towards higher levels of this kind of inequality throughout the world. That is because countries with large populations, such as India and China, are getting better off. Similarly, Sala-i-Martin (2006) reports that, after a peak in the late 1970's, world inequality has decreased consistently throughout the 1980's and the 1990's – the period of greatest market integration.



However, there is some controversy concerning this point, as well. Some transformationalist scholars have taken issue with the view according to which the huge growth of China and India in the last decades proves how market integration should be prescript as a path towards economic expansion. Rather, according to authors such as Martell (2010), the success of these countries was due, in part, to the fact that they were sometimes able to *restrict* globalization, protecting their industries from the fierce competition of the global economy.

The cases of India and China also draw our attention to a methodological issue that could explain why the various studies produce different results: the need to take into account the specific characteristics of each country, in order to come to robust conclusions regarding the effects of globalization over levels of poverty and inequality. Some authors (e.g., Srinivasan & Bhagwati, 1999) argue that in-depth case studies should be followed, rather than regression-based cross-country studies, as the latter are unable to properly appreciate some relevant differences between cases. Otherwise, it might be the case that the results of one's study depend on the specific countries that are included in the sample.

Before we move into the last point to be discussed – the one concerning the policy prescriptions that are put forward by each perspective – a reference should be made to the fact that some neoliberal authors argue that the discussion in turn of inequality levels is actually irrelevant, as long as poverty in absolute terms is decreasing. If the poor are getting better off, does it really matter that differences between them and the richer are widening? This view is well expressed by authors like Lucas (2004) and Feldstein (1999). The former states that the potential for rising living standards of the poorest people in the world is much greater by focusing on an improvement of poverty levels than by focusing on promoting equality. The latter argues that focusing on inequality rather than on poverty is a violation of the Pareto principle, which states that all policies that bring about an improvement to some, without worsening the condition of any, should be put to practice.

Nevertheless, this view is also debated. For example, Milanovic (2007) argues that other people's income also enter one's personal utility function. Because everyone inevitably compares his or her income level to that of others, he or she will have a sense of injustice when facing the fact that the difference towards others is becoming larger.

Given the two diverging theoretical views and the contrasting results of the empirical studies mentioned so far lead, it should come as no surprise that scholars of these two perspectives also disagree with respect to the last point that I aim to discuss here: the one concerning which policy prescriptions have a better chance of reducing the levels of poverty and inequality. On the one hand, as mentioned above, the neoliberal view holds that the removal of barriers to international trade leads to greater levels of economic growth, which in turn improve the condition of the worst off. Therefore, according to this perspective globalization is a force pushing towards less poverty, and should thus be prescribed (e.g., Dollar and Kraay, 2004). The effect of globalization on poverty is regarded as benign, and therefore *more globalization*, through greater integration in the global market, is the way to the eradication of the poverty that still persists.

On the other hand, as also mentioned above, transformationalist scholars defend that globalization is leading to rising levels of inequality, and that measures should be taken in order to counteract such an effect. This school has put forward a number of ambitious models of world regulation, through the building of supra-national democratic political



bodies democratic, that would be both representative and accountable to the world's population (e.g., Held & McGrew 2007; Rodrik, 2011). Whichever the specific configuration of this world government, it would be able of implementing policies to tackle inequality and poverty. Some concrete examples of worldwide policies to tackle inequality are Piketty's (2014) defense of global progressive taxes on capital, combined with a high level of finance transparency; or Milanovic's (2006) proposal of income transfers at the national level, taking into account within-country, as well as between-country, inequality.

### 3. The skeptics: realists and Marxists

This third section aims at discussing two skeptic approaches to globalization: the realist and the Marxist one. Regarding the first point under analysis on this article, both realist and Marxist skeptics argue that globalists tend to exaggerate the empirical relevance of the globalization process, as well as its novel character. However, there are important differences between these two perspectives.

Let us start with the realist school, which focuses primarily on the relationship between states. For these scholars, one cannot speak of a real economic globalization process, as that would require a true integrated economy, something that does not truly exist. Instead, what we can find is *interdependence*: nothing more than a relation of mutualism between states (Waltz, 1999). Relations of power between states still matter, and without understanding them, one cannot fully appreciate the interactions that take place on a worldwide level (Wolf, 2002). The realist view of the international arena is that of anarchy, with each state trying to carry out its own interests. In the definition of those interests, sub state groups play a major role. Therefore, states behave in their *external* affairs in ways that are determined to a large extent by pressures exerted upon them by their *internal* groups (Gilpin, 2001).

Because of this view, realists are also skeptic towards the second issue under analysis here: the existence of a relationship between globalization, inequality and poverty. In fact, one of the most prominent realist thinkers, Krasner (1985), argues that most scholars tend to exaggerate the importance of economic issues, thus overlooking other important conditions, especially political ones. The division between powerful states in the North and less powerful states in the South is nothing new. In fact, it is

*"one of the defining characteristics of the present international system" (ibid: 267).*

On a slightly different view, Gilpin (2001) does acknowledge the fact that, since the end of the Cold War, economic issues have had an importance that they did not have before. Therefore, this realist author does call for the need to take economic issues into consideration when studying the current inequality situation. But he does stress that we should be careful not to focus *too much* on economy. Drawing too sharp a distinction between economic and security-related affairs can be misleading, because





*"the international political and security system provides the essential framework within which the international economy functions" (ibid: 22-23).*

The distinction between economics and politics should become clear by bearing in mind the different purposes of each of them. The former is supposed to shed some light on the way interactions between market and economic agents take place. But it is the task of the latter to decide *which policies* should be taken. Even to leave the market unregulated is a political choice – one that is made *by states*. Therefore, far from being truly global and ungovernable, realists hold that the contemporary world economy is actually dominated by the most powerful states:

*"the Triad of Europe, Japan and North America" (Hirst, 1997: 410).*

To sum up, realists hold that focusing on the relationship between globalization, poverty and inequality is to be missing the point. It is states, rather than the process of globalization, that are to blame for their success or failure underpinning such issues. Therefore, regarding the last point under analysis here – the one concerning which policies are best suited to cope with poverty and inequality, realists would argue for state-specific measures, ones that allow developing countries to catch up to the most economically developed ones. From their point of view, the fact that, even though some developing countries are lagging behind, some Latin American and East Asian countries are catching up to the most economically developed ones proves how differences between countries are a product of the different strategies pursued by each of them (Held & McGrew, 2007).

The second branch of skeptic thinkers to be presented here is the Marxist one. As mentioned above, Marxists and realists share the same point of view regarding the fact that globalists tend to overstate the empirical relevance of the process of globalization. The difference lies on the fact that, for Marxist globalization scholars (e.g., Cammack, 2014) the writings of Marx and Engels are the best way to understand the current globalization process. That is because the world of which those authors talked about – one in which capitalism would become a dominant force worldwide – did not come to being until the recent rise of the globalized economy.

However, it should be noted that there are some important differences between the thinking of Marx and the recent developments of the Marxism approach. Whereas the former argued that the expansion of capitalism to the whole world would lead to the formation of capitalist societies with characteristics similar to those of Western capitalist societies, the latter regard such globalization process as a process of imperialism driven by the West, more concretely the United States (e.g., Kumbamu, 2010). According to the contemporary view, globalization led to the creation of a relation of dependence of peripheral countries towards central ones, instead of pushing towards the development of Third World countries into advanced capitalist societies.

Marxist scholars are suspicious of the empirical verifiability of globalization mainly because they regard globalization as more of a rhetoric matter than an empiric one. By



associating globalization with imperialism, these authors argue that the hegemonic neoliberal discourse – according to which the outcomes of enhanced market integration for the material conditions of the world population are, all in all, benign – is nothing but to throw dust into the public eye, in order to keep it from realizing the growing levels of class inequality worldwide, thus making the neoliberal imperialist goal a more feasible one (Berberoglu, 2010). Because

*"overt imperial rule results in costly wars and disruption, especially among a broad array of classes adversely affected by the imperial presence"* (Petras & Veltmeyer, 2011: 136),

this sort of camouflage is necessary to win over the support of ruling classes, as well as that of mass population, in countries subdued by the imperialist forces.

Another major difference between this approach and that of realist scholars concerns the crucial role that the latter ascribe to the state in determining the current state of affairs. This is illustrated by the fact that one of the most famous Marxist globalization scholars, Wallerstein (2004), elaborated the well-known world-systems analysis largely because of his dissatisfaction with the centrality that debates concerning globalization ascribe to the state. According to this author, one should rather look at the world we live in as a single system, whose roots can be traced back to the 16<sup>th</sup> century and the development of capitalism. Since then, the growth of capitalism and the expansion of the modern world system have been concomitant, with the former acting as the unifying force of the latter, which lacks a political model or common culture capable of acting as such. Even if the state may have an important role in this process, it is not its main actor – neither is the individual. The main driving force of the imperialist nature of contemporary globalization is, instead, *the market* (Cammack, 2014).

From this angle, the Marxist perspective does align with the neoliberal one in its view of the economy as central to the process of globalization. However, the former draws a much darker picture of the consequences of economic forces, as well as the reasons underlying it, than the latter.

Given that the Marxist view of the globalization process is one in which peripheral states have a relationship of dependence towards central ones, it is hard to talk about policy prescriptions for coping with poverty and inequality. Globalization is regarded as a process in which new forms of division of labor arise, leading to the creation of a worldwide class struggle. Therefore, tackling the consequences of globalization is not something that can be done in a top-down manner at the state-level. This being said, Marxist authors do not think of globalization as something unstoppable. On the contrary, they hold that its development was triggered by conscious decisions made by human actors. Therefore, different decisions could have been made, and there is still time to change the current course of globalization. Hence, these scholars call for an organization of labor forces under competent leadership, thus allowing the working class to face capitalist forces, putting an end to its exploitation (e.g., Berberoglu, 2010). Without that kind of reaction, there can be no a way of stopping imperialism. And, as long as imperialism persists, so will global poverty and inequality.



#### **4. A critical discussion of the transformationalist, neoliberal, realist and Marxist perspective**

The last section has presented the main arguments put forward by the four theories under analysis on this article. By contrast, this section intends to briefly discuss them in a critical manner.

Regarding the empiric dimension, it seems to be getting harder and harder to argue that the process of contemporary globalization is not something fundamentally new, as the skeptics do. Certainly, it does have its antecedents. But few, if any, are the human phenomena whose beginning is so radical and unforeseen that no antecedents for can be traced for it. The majority of the time, phenomena develop as an accentuation of previous tendencies that, from a certain point on, become something new. That is, I would argue, what has happened with the process of globalization, as the last decades have witnessed a number of developments that constitute a qualitative leap into something that did not exist before.

Nevertheless, this should not get us to loose sight of some of the strengths of the skeptic perspectives. For example, the Marxist view according to which globalization has led to the building of unequal relations between countries is one that is to some extent shared by some non-Marxist scholars (e.g., Steger, 2003). Also, regarding the realist perspective, one should recognize that each state does still try to follow its own interests, and that its ability to do so to do is a function of its relative power towards others. Once again, this is a position that is held even by non-realist scholars. For example, Rodrik (2011) argues that, whenever there is conflict between national and supra-national interests, states tend to favor the former to the detriment of the latter. However, a state's prosecution of its own interests happens amidst a complex and ever-changing web of other relations that take place simultaneously. Very often, these relations have conflicting and unpredicted outcomes. The pursue of a state's own interests is therefore influenced by a number of factors that it does not control, most of which were brought about by contemporary globalization.

The reasons stated above lead me to align with the globalist perspective as far as the empiric dimension goes. Regarding the normative dimension, however, I am incapable of agreeing with the neoliberal perspective, because some of the evidence towards the increasing inequality levels bought about by unrestricted globalization is hard to refute. One should not overlook such fact even if the absolute levels of poverty are in fact decreasing. Because the benefits of globalization should be parted in an equitable manner, inequality is a problem in itself and should be tackled as such.

Apart from economic matters, one major concern regarding high levels of inequality is related to its political consequences. The neoliberal discourse tends to associate market freedom with benefits that go beyond the economic sphere, such as the promotion of democracy. However, even though capitalism and democracy can indeed live together, high levels of income inequality threaten some of the basic premises of democracy, such as that of equal political influence. Under highly unequal contexts, the better-off tend to have an ability to promote their agendas that may effectively block the potential of the remaining population to make their voice heard (for a classic study on this matter, see Schattschneider, 1960).



As successful as the neoliberal perspective may have been in its inevitability discourse, the truth is that globalization does not need to be accompanied by economic *laissez faire*. On this point, it is important to remember Steger's (2003) distinction between globalization and globalism: the former defining a processes of greater integration and interdependence between states worldwide, the latter referring to a specific discourse that makes globalization inevitably neoliberal in character. By bearing in mind the distinction between these two concepts, one is able to appreciate how the process of globalization that does not need to be accompanied of neoliberalism.

The points made so far would seem to push me towards the transformationalist approach. In fact, this perspective has made important criticism to the contemporary process of globalization. Nevertheless, the reform policies proposed by its scholars certainly lack some realisticness. Proposals concerning the building of a kind of world government seem very unlikely in a time when confidence in supranational bodies is tainted by the democratic deficit of those bodies. It is true that the danger of such a deficit is one for which transformationalists themselves have alerted. Still, it becomes harder and harder to believe that these bodies can be reshaped in a way allows the public to regarded them as fully legitimate, not least because these bodies themselves seem to resist reform. Also, it seems as unlikely to conceive such a building in a period when electoral support to nationalist discourses throughout the world is on the rise.

The points made above make it hard to envision how one can push towards a kind of globalization that is conducive to lower levels of inequality and poverty. However, in the light of recent developments, it would seem that the nation state may still have a role to play, one that is probably more important than many of us would have envisioned some years ago. As more and more electors adhere to the nationalist rhetoric, it is important to recognize how important it is for each state to be capable of choosing its own level of openness to foreign trade and investment, as well as its own policies to tackle poverty and inequality.

## 5. Conclusion

This article has set out to introduce and critically review the main perspectives regarding the relationship between globalization, poverty and inequality. In order to do so, the most important authors concerned with this issue were divided according to their views on two dimensions (an empiric and a normative one). Their positions were later discussed in a critical fashion, by referring to some of the most important strengths and shortfalls of each of them.

By doing so, this article has had a twofold contribution for our understanding and thinking of this relationship. On the one hand, it has synthetized a very intense debate, one that has witnessed a great number of publications in recent years. Such has been accomplished by the presentation of a number of influential studies inserted in the broader perspective to which they can be ascribed, thus making the debate much more clear, and thus allowing for a better understanding of the main issues at stake.

On the other hand, by critically assessing the four perspectives presented here, the article has contributed to the identification of some of the strengths of the several approaches, while at the same time calling for the need to take several arguments into consideration, even if these are originally from different perspectives.



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