

A vertical bar on the left side of the page is composed of several horizontal rectangular segments of different colors: red, yellow, green, red, orange, blue, yellow, maroon, orange, pink, yellow, olive green, blue, green, blue, and dark blue.

Transitioning to **REDUCED INEQUALITIES**

Sabin Bieri and Christoph Bader (Eds.)

Transitioning to **Reduced Inequalities**

Transitioning to Sustainability Series: Volume 10

Series Editor: Manfred Max Bergman

Volumes in the series:

Volume 1: Transitioning to No Poverty
ISBN 978-3-03897-860-2 (Hbk);
ISBN 978-3-03897-861-9 (PDF)

Volume 2: Transitioning to Zero Hunger
ISBN 978-3-03897-862-6 (Hbk);
ISBN 978-3-03897-863-3 (PDF)

Volume 3: Transitioning to Good Health
and Well-Being
ISBN 978-3-03897-864-0 (Hbk);
ISBN 978-3-03897-865-7 (PDF)

Volume 4: Transitioning to Quality
Education
ISBN 978-3-03897-892-3 (Hbk);
ISBN 978-3-03897-893-0 (PDF)

Volume 5: Transitioning to Gender Equality
ISBN 978-3-03897-866-4 (Hbk);
ISBN 978-3-03897-867-1 (PDF)

Volume 6: Transitioning to Clean Water
and Sanitation
ISBN 978-3-03897-774-2 (Hbk);
ISBN 978-3-03897-775-9 (PDF)

Volume 7: Transitioning to Affordable and
Clean Energy
ISBN 978-3-03897-776-6 (Hbk);
ISBN 978-3-03897-777-3 (PDF)

Volume 8: Transitioning to Decent Work
and Economic Growth
ISBN 978-3-03897-778-0 (Hbk);
ISBN 978-3-03897-779-7 (PDF)

Volume 9: Transitioning to Sustainable
Industry, Innovation and Infrastructure
ISBN 978-3-03897-868-8 (Hbk);
ISBN 978-3-03897-869-5 (PDF)

Volume 10: Transitioning to Reduced
Inequalities
ISBN 978-3-03921-160-9 (Hbk);
ISBN 978-3-03921-161-6 (PDF)

Volume 11: Transitioning to Sustainable
Cities and Communities
ISBN 978-3-03897-870-1 (Hbk);
ISBN 978-3-03897-871-8 (PDF)

Volume 12: Transitioning to Responsible
Consumption and Production
ISBN 978-3-03897-872-5 (Hbk);
ISBN 978-3-03897-873-2 (PDF)

Volume 13: Transitioning to Climate Action
ISBN 978-3-03897-874-9 (Hbk);
ISBN 978-3-03897-875-6 (PDF)

Volume 14: Transitioning to Sustainable
Life below Water
ISBN 978-3-03897-876-3 (Hbk);
ISBN 978-3-03897-877-0 (PDF)

Volume 15: Transitioning to Sustainable
Life on Land
ISBN 978-3-03897-878-7 (Hbk);
ISBN 978-3-03897-879-4 (PDF)

Volume 16: Transitioning to Peace, Justice
and Strong Institutions
ISBN 978-3-03897-880-0 (Hbk);
ISBN 978-3-03897-881-7 (PDF)

Volume 17: Transitioning to Strong
Partnerships for the Sustainable
Development Goals
ISBN 978-3-03897-882-4 (Hbk);
ISBN 978-3-03897-883-1 (PDF)

Sabin Bieri and Christoph Bader (Eds.)

Transitioning to Reduced Inequalities

Transitioning to Sustainability Series



MDPI • Basel • Beijing • Wuhan • Barcelona • Belgrade • Manchester • Tianjin • Tokyo • Cluj

EDITORS
Sabin Bieri and Christoph Bader
Centre for Development and
Environment (CDE)
University of Bern, Switzerland

EDITORIAL OFFICE
MDPI
St. Alban-Anlage 66
4052 Basel, Switzerland

For citation purposes, cite each article independently as indicated below:

Author 1, and Author 2. 2023. Chapter Title. In *Transitioning to Reduced Inequalities*. Edited by Sabin Bieri and Christoph Bader. Transitioning to Sustainability Series 10; Basel: MDPI, Page Range.

Published with the generous
support of the Swiss National
Science Foundation

© 2023 by the authors. Chapters in this volume are Open Access and distributed under the Creative Commons Attribution (CC BY) license, which allows users to download, copy and build upon published articles, as long as the author and publisher are properly credited, which ensures maximum dissemination and a wider impact of our publications.
The book taken as a whole is distributed by MDPI under the terms and conditions of the Creative Commons license CC BY-NC-ND.

ISBN 978-3-03921-160-9 (Hbk)
ISBN 978-3-03921-161-6 (PDF)
ISSN: 2624-9324 (Print)
ISSN: 2624-9332 (Online)
doi:10.3390/books978-3-03921-161-6

Contents

	About the Editors	vii
	Contributors	ix
	Abstracts	xi
1	A World Drifting Apart: Challenges and Possibilities of Transitioning to a More Equitable Planet CHRISTOPH BADER AND SABIN BIERI	1
2	The Missing Link between Inequality and the Environment in SDG 10 EMILY GHOSH, ANISHA NAZARETH, SIVAN KARTHA AND ERIC KEMP-BENEDICT	19
3	Liaison of Climate Change and Social Inequality ANTONIA KUPFER	45
4	Capitalism, Money and Inequality in the World TIM DI MUZIO	63
5	Inequalities in Trade NICOLE PALAN, NUNO CRESPO AND NADIA SIMOES	83
6	Would Open Borders Lead to Reduced Global and Within-Country Inequality? E. WESLEY F. PETERSON	115
7	Urban Planning and Heterodox Economics in the United States: Progressive Partners to Reduce Inequalities JORDAN AYALA AND CLARA IRAZÁBAL	145
8	Right to the City, Right to Sanctuary: Sanctuary Practices, Urban Inequality, and Immigrant Political Subjectivities in New York VOJISLAVA FILIPCEVIC CORDES	171
9	Inequality and Inclusive Development in Ghana ALEXANDER NII ADJEI SOWAH, PRINCE SELORM KODZO TETTEH AND KOFI TAKYI ASANTE	205

About the Editors

Sabin Bieri is Co-Director of the Centre for Development and Environment CDE at the University of Bern. As one of Switzerland's leading centres for sustainability transformations, the CDE is committed to create actionable knowledge for and about transformation pathways (www.cde.unibe.ch). A social geographer by background, Sabin's main research interests refer to the economic and social dimensions of sustainable development, specifically inequality and poverty. Throughout her work she has engaged with questions of power in contemporary societies, especially gender relations. Currently, she investigates global food value chains and effects of digital work on gender relations in low-income economies.

Christoph Bader is Head of Transformative Education and Science Impact Area and Member of the Executive Committee at the Centre for Development and Environment at the University of Bern. An economist by training, he works in thematic fields of sustainable economies, post-growth societies, and multidimensional poverty and inequality, explaining and fostering sustainable consumption patterns and lifestyles. He teaches in BA and MA Sustainable Development study programs as well as CAS Sustainable Development. He received his MSc in economics and PhD in geography and Sustainable Development from the University of Bern.

Contributors

ALEXANDER NII ADJEI SOWAH
Dr., Department of Social Studies
Education, University of Education,
Winneba, Ghana

ANISHA NAZARETH
MSc, Equitable Transitions program,
Stockholm Environment Institute (SEI) US,
Somerville, MA, USA

ANTONIA KUPFER
Prof. Dr., Macrosociology, Technical
University of Dresden, Dresden, Germany

CHRISTOPH BADER
Dr., Centre for Development and
Environment (CDE), University of Bern,
Switzerland

CLARA IRAZÁBAL
Dr., School of Architecture, Planning
and Preservation (MAPP), University of
Maryland, College Park, MD, USA

E. WESLEY F. PETERSON
Prof., Department of Agricultural
Economics, University of Nebraska,
Lincoln, NE, USA

EMILY GHOSH
MSc, Equitable Transitions program,
Stockholm Environment Institute (SEI) US,
Somerville, MA, USA

ERIC KEMP-BENEDICT
Dr., Equitable Transitions program,
Stockholm Environment Institute (SEI) US,
Somerville, MA, USA

JORDAN AYALA
PhD student, The Economic Democracy
Initiative (EDI), Bard College, Annandale-
on-Hudson, NY, USA

KOFI TAKYI ASANTE
Dr., Institute of Statistical, Social and
Economic Research (ISSER), University of
Ghana, Accra, Ghana

NADIA SIMOES
Dr., ISCTE Business School Economics
Department, BRU - IUL (Business Research
Unit), Instituto Universitário de Lisboa,
Lisbon, Portugal

NICOLE PALAN
Dr., Graz Schumpeter Centre, University of
Graz, Graz, Austria

NUNO CRESPO
Dr., ISCTE Business School Economics
Department, BRU - IUL (Business Research
Unit), Instituto Universitário de Lisboa,
Lisbon, Portugal

PRINCE SELORM KODZO TETTEH
MA, Political Science, University of
Southern Mississippi, Hattiesburg, MS,
USA

SABIN BIERI
Dr., Centre for Development and
Environment (CDE), University of Bern,
Switzerland

SIVAN KARTHA
Dr., Equitable Transitions program,
Stockholm Environment Institute (SEI) US,
Somerville, MA, USA

TIM DI MUZIO
Assoc. Prof., International Relations
and Political Economy, University of
Wollongong, Wollongong, NSW, Australia

VOJISLAVA FILIPCEVIC CORDES
Dr., Department of Sociology, John Jay
College of Criminal Justice, City University
of New York, New York City, NY, United
States

Abstracts

A World Drifting Apart: Challenges and Possibilities of Transitioning to a More Equitable Planet

by Christoph Bader and Sabin Bieri

The editorial sets out a diagnostic panorama on how and why inequality of income and wealth have increased in the last 50 years. Pointing out the problematic dynamic of societies drifting apart while environmental crises threaten our future, the authors offer a selection of work-in-progress think-pieces to stimulate research and open up pathways towards substantive reduction of multiple forms of inequalities and dignified lives for all within our planetary boundaries.

The Missing Link between Inequality and the Environment in SDG 10

by Emily Ghosh, Anisha Nazareth, Sivan Kartha and Eric Kemp-Benedict

Social equality was one of three dimensions to be considered by the SDG High Level Panel of Eminent Persons. In keeping with the central importance of inequality, one of the 17 goals, SDG 10, is dedicated to reducing inequality. Yet, despite strong and well-documented links between inequality and environmental impacts, SDG 10 does not mention the environment, while more environmentally-focused goals address inequality indirectly, if at all. This raises the question of how a plan to achieve the SDGs taken as a whole should best think about relationships between inequality, environmental impacts, and access to environmental resources. In this chapter we address this question through the lens of three frameworks: climate equity, environmental justice, and analysis of distributional impacts. These frameworks urge a systemic view of inequalities and how they are reinforced and perpetuated. In lieu of a systems approach, acting on environmentally-focused goals can inadvertently exacerbate inequalities. This observation suggests the utility of an “SDG interactions” approach to sustainability policy. Interactions between SDG 10 and other goals can be either positive or negative, depending on how strategies are designed and implemented.

Liaison of Climate Change and Social Inequality

by Antonia Kupfer

Climate change contains, in a nutshell, fundamental relations of social inequality such as gender, “race”, and class. This chapter outlines how climate change is human made, primarily by a capitalist economic system. Capitalism relies on exploitative relations of nature and humans, mainly in the global South and of women. A reduction of inequalities is possible through a socio-economic transformation, which seeks degrowth and an alternative to a Green New Deal.

Capitalism, Money and Inequality in the World

by Tim Di Muzio

This chapter considers the important relationship between capitalism, money and inequality in the world. Ultimately, it asks what policies can be pursued to reduce economic inequality both within and between states once we have a deep understanding of how the structural logic of capitalism, the creation of new money in the economy and the generation of inequality are all interrelated. The chapter argues that it is too often forgotten that while economic growth over the last three centuries has lifted many people out of extreme poverty, capitalism is primarily an economic, monetary and accounting system whose aim is to generate income and wealth inequality. This helps to explain why, even after centuries of global economic growth, the division of wealth both within and between nations has never been starker. Since the overthrow of capitalism is neither nigh nor perhaps welcome, the chapter investigates how the fiscal and monetary policy of states can be deployed to lessen harmful economic and financial inequalities and work towards achieving the 10th sustainable development goal.

Inequalities in Trade

by Nicole Palan, Nuno Crespo and Nadia Simoes

Reducing inequalities both between and within countries is a major concern of policymakers. One aspect that is left out of many studies concerning sustainable development at the national level is the importance of globalization and participation in international trade. The following chapter sheds light on the differences regarding the integration of countries into the world trade network and

the developments over the last five decades (1968–2016). To that end, we use a very rich dataset of bilateral trade from CHELEM-INT (CEPII) covering the trade flows between 72 countries between 1968 and 1990 and 84 countries between 1994 and 2016, detailed to a level of 147 products. Results show that trade inequality measured with the help of the Theil-Index decreased significantly over the investigation period. Whereas in the late 1960s, mostly highly developed countries were (almost) fully integrated in international trade, many Southern American, Asian and African countries significantly increased their participation over the course of time. However, even during the last decades of hyper-globalization, important differences between countries continued to persist. This is largely explained by their different specialization patterns emerging from unequal access to natural resources, technological innovation, and education.

Would Open Borders Lead to Reduced Global and Within-Country Inequality?

by E. Wesley F. Peterson

International migration is identified in SDG 10 as a way to reduce global and within-country inequality. The literature on the effects of migration on migrants, their countries of origin, and their destination countries is vast. This review surveys recent literature on these topics, highlighting the complex relationships between inequality and international migration. The impact of international migration on inequality depends on who the migrants are, where they come from, the circumstances surrounding their decisions to migrate, and their final destinations. Policies with respect to refugees and asylum seekers are different from those for other types of migrants, and not all policies work to reduce inequalities or benefit migrants and their countries of origin. Reducing or eliminating restrictions on the movements of human beings would bring very large economic benefits to the world as a whole, but the equitable distribution of these gains will require the development of appropriate policies.

Urban Planning and Heterodox Economics in the United States: Progressive Partners to Reduce Inequalities

by Jordan Ayala and Clara Irazábal

As humanity becomes ever more urbanized, the urban environment is an ever more effective area in which to intervene in order to reduce inequalities. However, many of the urban policy interventions with the intended result of reducing inequalities are paradoxically perpetuating them. We discuss how this is the case in the context of US housing policy—particularly as it pertains to the role of underlying racial-ethnic and socio-spatial inequality in generating uneven housing outcomes—where the very policies claiming to be progressive expand existing group-based and place-based inequalities. We explore methods of overcoming this paradox by illustrating how heterodox economics and urban planning in practice could synergistically reinforce their respective disciplinary aspirations to speed up a transition to a more equitable world. In doing so, we highlight how calls for a Jobs Guarantee program, derived from heterodox economics, together with the support of locally based planning initiatives and a Homes Guarantee program, could bring us much further than we have come before toward reducing inequalities.

Right to the City, Right to Sanctuary: Sanctuary Practices, Urban Inequality, and Immigrant Political Subjectivities in New York

by Vojislava Filipcevic Cordes

The evidence presented here is—to the contrary of arguments in recent literature on sanctuary cities—suggestive of an emancipatory potential of sanctuary practices in the urban environment, in spite of the fact that in many aspects of their lives the undocumented must remain in the shadows of the city. Sanctuary cities, it could be cautiously argued, thus have a potential to more robustly realize appropriations of urban space of a Lefebvrian “right to the city” and are suggestive of an alternative legality grounded in ‘rightful presence.’ The New Sanctuary Coalition in New York actively dismantles the binary relations between ‘host’ and ‘guest,’ and disrupts the state monopoly on the legal and political through its accompaniment program and through a variety of sanctuary acts and practices.

Inequality and Inclusive Development in Ghana

by Alexander Nii Adjei Sowah, Prince Selorm Kodzo Tetteh and Kofi Takyi Asante

This chapter provides an overview of inequality in Ghana from a political economy perspective. The extent and consequences of inequality in the country have fluctuated in response to structural factors linked to socio-economic and political changes. Critical historical junctures that have affected inequality trends in the country go back to precolonial times and include the social effects of slavery, the introduction of “legitimate commerce” following the abolition of the slave trade, the rise of the cocoa economy at the turn of the twentieth century, the adoption of socialist economic policies after independence, political instability between the late 1960s and early 1980s, and the advent of economic and political liberalisation from the mid-1980s. Against this backdrop, we interrogate how inequality in Ghana has evolved in response to these large-scale factors. The chapter is organised as follows: the first section provides a theoretical and historical overview of inequality. The second section explores the various domains of inequality in Ghana, with a focus on class, gender, and disability. This exploration is done against the backdrop of the country’s entrenched north–south disparities in development. The third section examines a selection of social development programmes introduced in recent decades and how the larger political context shaped their ability to produce pro-poor outcomes. The chapter concludes with a brief reflection on progress made so far in actualising Ghana’s commitment to SDG 10.

A World Drifting Apart: Challenges and Possibilities of Transitioning to a More Equitable Planet

Christoph Bader and Sabin Bieri

1. Introduction

In 2013, former US President Barack Obama called the increasing levels of global inequality the “defining issue of our time” (FT 2013). In a recent interview, the ex-chief economist of the World Bank, Branko Milanovic, made it clear that the trend holds: inequality has exacerbated to an extreme degree.¹ It is worth noting that the interview was held before the COVID-19 pandemic, a crisis that, as all major analyses consent, intensifies the drifting apart.

Both politicians and economic experts thereby not only point to the skewed distribution of global income and wealth, but also highlight huge biases in the allocation of health, education, and basic infrastructure. These distinctive features of inequality have been referred to as vertical (the income and wealth-related dimensions) and horizontal (dimensions such as social origin, class/caste, race, and gender) (Stewart 2016). While traditional debates on inequality have mainly been concerned with the income- and wealth-related dimensions, horizontal inequalities such as gender have been more prominently discussed since the 1980s, especially in development economics (Klasen 2018). In the same vein, Klasen has criticized the explanatory power of the Kuznets curve when considering developing economies (Grün and Klasen 2003; Klasen 2003).

An important if often under-researched element in view of a global perspective on leaving no one behind as framed by SDG 10 refers to the opportunities for diverse people in different geographical locations and at various stages in their lives to accomplish their aims. This aspect resonates with Amartya Sen’s idea of development and justice. According to the Nobel laureate, the core of development lies in the freedom of each person to achieve the functions he or she values or has reason to

¹ Interview with Branko Milanovic at the Graduate Institute in Geneva. URL: <https://www.graduateinstitute.ch/communications/news/interview-branko-milanovic-patterns-causes-and-remedies-global-inequalities> (accessed on 24 May 2019).

value (Sen 2001). Inequality thus comprises much more than the unequal distribution of material goods. Education—to name just one example—has the potential to empower an individual to achieve desired combinations of functions and to develop capabilities to flourish, according to Sen (2001). Access to quality education and educational achievements more generally are, however, closely related to the income rank of one’s parents, which, among other factors, has been highlighted in the Global Inequality Report (Alvaredo et al. 2018a). This is obviously inefficient since talent and intellectual capacity are not correlated with income to the same degree as the income rank of parents whose kids study at a university. The social position and cultural capital of the parents’ generation are the single most important factor—apart from geography, e.g., the place you are born—to determine an individual’s perspectives in life. This fact becomes even more problematic against the prevailing discourse on the equality of opportunities, an essential ingredient of modern Western identity that threatens to turn its original purpose into the opposite: the ability that one has to climb the social ladder becomes more and more conditional. The postwar rhetoric of the American dream is still going strong while the probability of its realization continues to evaporate for the vast majority of people (Nachtwey 2016; Sandel 2020).

Regional distribution of opportunities is, in turn, the driver of global migration and, as such, the movement of people in pursuit of the citizenship premium they happened to not receive as a result of their birthplace. Migration is becoming an ever more important means through which to redistribute resources from high- to medium- and low-income countries. According to a recent press release from the World Bank, global remittance flows increased by a solid 7.3 percent in 2021, amounting to USD 589 billion; thus, for the second consecutive year, global remittances outnumbered foreign direct investment and overseas development assistance.² In this volume, Wesley and Pieterse argue for more policy coherence when crafting migration legislation, thus providing actual pathways to reduce global inequalities.

More optimistically, while inequality has clearly intensified since the 1980s, the rate or intensity of the trend is not the same everywhere. In other words: national policy packages matter in that they do seem to have an influence (Piketty 2013; Piketty et al. 2020). It is in this light that this volume offers nuanced and multifarious perspectives on inequalities. More so, against the background of the “UN Decade

² <https://www.worldbank.org/en/news/press-release/2021/11/17/remittance-flows-register-robust-7-3-percent-growth-in-2021> (accessed on 11 March 2022).

of Action towards Achieving the Goals”, the selected chapters also offer broader perspectives on justice in view of sustainable development.

The marking effect of inequality is exacerbated by multiple environmental crises whose consequences have started to unfold on the planet (Steffen et al. 2015). The risks people face from environmental exposure (e.g., air, water, soil pollution land degradation, and various climate-related hazards) are hugely imbalanced. This seems particularly unfair, as the odds are often against those whose share in the negative environmental balance is comparatively small—a fact that has been emphasized by a recent report on climate inequality that was co-authored by contributors to this volume (Kartha et al. 2020). The global North absorbs the lion’s share of raw material flows as well as the majority of global capital. A high rate of resource use and thus a large ecological footprint are characteristic of our economies—economies that are addicted to growth. Their growth-dependence is, in turn, justified by the apparent need for low-income economies to grow—the same economies from which cheap resources are extracted (Dorninger et al. 2021; Hickel 2021).

While inequality has increased by almost any measure and comparison, and despite prominent debates and publications on the topic (Atkinson 2015; Alvaredo et al. 2018b; Piketty 2013), studies show no evidence of growing awareness in the broader public as of yet (Kuziemko et al. 2015; Larsen 2016; Brooks and Manza 2013). Even more strikingly, despite the reality of rising inequalities, people in more unequal societies show less concern about it (Bucca 2016). This is explained by the divisive force of increasing segregation, which is unfolding in diverging perceptions of this and other issues—namely environmental crises—between the wealthy and the poor. At both ends, people are unable to grasp the full extent of inequality or its structural roots, let alone attribute their individual situation to the dynamics of inequality, or, for that matter, injustice. More than just a lack of information, this produces entrenched perceptions and particularistic—or singular, as sociologist Andreas Reckwitz prominently puts it—viewpoints (Reckwitz 2017).

Another powerful argument has been brought forward by Michael Sandel in their study on meritocracy (Sandel 2020). The wide-spread—if mainly Western—assumption that unequal outcomes are the fair result of meritocratic dynamics leads to substantial underestimations of the degree of unequal opportunities and the structural embeddedness of inequalities in our societies. Even more so, given the acceptance of meritocratic narratives, the ongoing oligarchic consolidation of privilege, as observed by Sandel, is largely being eclipsed from public debate. The logic is consistent with the shift in public discourse about the

economy from what used to be a political economy perspective to one of reductionist utilitarian market liberalism (Möllers 2020).

Nevertheless, against the background of the ever-increasing gaps between the haves and the have-nots, this seems rather counterintuitive. Global figures, such as those from the World Inequality Report (2018), indicate a rising share of wealth and income flowing to the top of the wealth ranks. In 2020, the top 1% obtained twice as much income growth compared to the bottom 50%, while at the same time, only 4 cents of every dollar in tax revenue came from taxes on wealth (Oxfam 2021). The latter is important, as one of the narratives that justifies the current distribution codes refers to the high share of taxes born by the extremely rich. This also holds for a country such as Switzerland, which has so far fared comparatively well with respect to income inequality but indicates one of the world's most staggering—and still increasing—concentrations of wealth (Föllmi and Martínez 2017).

Today's situation distinctly differs from the European post-war era. After 1945, the industrialized countries of the global West went through a period of relative equality. It was a historical phase marked by the “elevator effect”—a metaphor used by the German sociologist Ulrich Beck to describe a dynamic in which, despite stratified societies, the shared perception was that of collective progress and a constant upward movement towards more individual wealth and a brighter future for the next generation (Beck 2016; Nachtwey 2016). The so-called social market economy was rooted in the political forces that prevailed after World War II—right-wing liberal, let alone libertarian, dogmata were clearly not in a place to win political majorities at the time. It was after the 1973 oil crisis when the tailwind kicked in for neoliberal ideologies, and economic reforms such as those driven by the governments of Thatcher in Britain and Reagan in the U.S gained traction. These gaps have been widening ever since (Albertson and Stepney 2019; Milanovic 2016) and were most recently exacerbated most through the effects of the COVID-19 pandemic and the war in Ukraine. The pandemic and the war increased both economic and health inequalities (Goldin 2021; Martínez et al. 2021). This is in contrast to past trends, such as those described by historian Walter Scheidel and the economists Piketty and Milanovic, when war, revolution, state failures, and pandemics led to greater equality (Scheidel 2018; Piketty 2013; Milanovic 2016). In the context of the COVID-19 pandemic, the wealthy are not only able to keep their jobs but they also benefit from rising stock market and real estate prices. This is illustrated by the striking increase in the wealth of all U.S. billionaires: their accounts increased by USD 2.1 trillion (70 percent) between 18 March 2020 and 17 October 2021 (Collins 2021). In contrast,

employees in low-income sectors, including gastronomy and tourism, were more likely to lose their jobs as activities were suspended.

From a global perspective, it seems that low-income countries may never become the aspired “wage economies” purported by traditional development experts and reflected in so many ODA strategies (Ferguson 2015; Oberholzer 2021). The pandemic is only the most recent illustration of those incongruences. With respect to health inequalities, we must conclude that developed countries are far more likely to vaccinate their citizens. On average, 62% of people living in high-income countries have been vaccinated with at least one dose as of 20 October 2021 compared to a rate of only 4.5 percent in low-income countries (Our World in data, 2022). This is only the last of a variety of examples illustrating the fact that the prevailing “trickle-down” ideology that has shaped international policies for development and steered the disbursement of ODA funds so far have failed to meet its promises (Klasen 2016). The following section will point out some of the conditions that have contributed to this outcome.

2. Why Does Inequality Keep Rising?

Among the factors causing the steady increases in income gaps and wealth concentration, two deserve particular attention in light of SDG 10: globalization and technological change.

Globalization unfolds on the basis of a specific institutional architecture that systematically creates opportunities for economic expansion, thereby transgressing political borders. Expanding global supply chains have been a major spur to economic growth in emerging economies, enabling them to narrow the income gap to advanced economies (see, e.g., chapter by Palan et al.). However, the same architecture simultaneously creates unequal terms for participation in global markets. Globalization has therefore not paid off for low-income countries. On the contrary, it appears that structural inequalities have been reinforced, and the gap between the Global North and the Global South has grown not least due to reforms during the Washington consensus and its structural adjustment programs (Hickel 2017). In the global South, this is illustrated by increasing land inequality. This is a direct impact of neoliberal globalization, producing particularly devastating effects on people’s resilience, especially in rural areas and in view of unpredictable pressure on resources due to the consequences of climate change (Wegerif and Guereña 2020).

The conventional wisdom that attributes widening inequalities to globalization and technological change leaves out some of the largest and most significant economic and political disruptions that are constitutive of the globalizing forces. One

of the biggest shifts since the 1980s is the systematic undermining of countervailing powers that offset the influence of large corporations, global financial markets, and the wealthy elite. Contrary to the rhetoric, it is not the free market that creates objectively fair outcomes—not for people, let alone for the environment. Markets depend on rules, and rules come out of legislator bodies, executive agencies, and courts (Reich 2019). Among potential countervailing powers are labor unions, state and local banks, cooperatives, small retail chains, and local communities (Rajan 2019). With shrinking checks and balances, we find ourselves in an unhinged system that produces structural inequalities. Robert Reich (2020) describes this as the vicious cycles in which big money, which emanates from large corporations, global financial markets, and the wealthy determine the rules of the economic and social game. Even more so, Nobel laureate Angus Deaton warns about the disruptive effects on liberal democracies if the wealthy are allowed to influence political outcomes to a degree that gives systematic preference to their particular interests (Deaton 2013). The weakening redistributive role of the state is an example of these dynamics. In OECD economies, taxes and transfers typically maintain disposable income inequality at one-fifth to one-quarter lower than typical market-income inequality. In recent years, the role of fiscal redistribution in offsetting the rise in market income inequality has shrunk because of the reduced progressivity of personal income taxes; lower taxes on capital, including those on inheritance and corporations; and tightening of public on social programs, including health and education programs in the wake of widely rolled-out austerity policies, such as those that were implemented after the 2007 financial crisis (Canterbery 2015).

A second element that much of the inequality-related research has increasingly focused on is (skill-biased) technological change as a key driver of the rise in inequality during the last few decades. The rapid increase in digital technologies has been received with much hope for the broader, more inclusive participation of so far by-passed population segments in these developments and the opportunities that they offer access to. Digital technologies have indeed substantially transformed markets, including the way we work and do business. However, against initial hopes, the gains of these technological advancements have the tendency to be shared highly unequally, something that is largely due to the disadvantage of workers and the populations in the global South more generally. The characteristics of digital goods play well into the logic of a globalized economy, where they enjoy huge advantages due to their replicability, their weightlessness, and their non-rival, synchronized nature (Quah 2003). On the other hand, these new technologies require substantial investments, thus favoring capital and leading to shrinking income shares from wage

labor (ILO 2019). Moreover, the skill set needed to operate and manage digital tools effectively requires educational initiatives, particularly in low-income countries. The results of these programs only pay off after years of investments—investments that are all too often far from realistic for the budgets of low-income economies. The current COVID-19 pandemic seems to amplify these trends of widening technology gaps between the global regions (Ferreira et al. 2021; Martínez et al. 2021).

While the overall picture confirms the continuous exacerbation of inequality, the trajectories are different depending on a countries policies. In other words: policies matter (Piketty et al. 2020). However, much of what we have seen from governments so far is conventional sectoral politics, little of which has been linked to the pertinent question of sustainability.

3. Inequality as a Problem for Sustainable Development

This volume was inspired by goal number 10 from the 2030 Agenda. The fact that goal number 10 is part of the leading global sustainability framework is an achievement. It has been rumored that it was the most difficult and politically contested goal to be negotiated in the entire process. This points to its delicate and utmost political nature; while goals such as poverty alleviation or education are hardly debated, governments are much more uncomfortable when it comes to diagnostics about and measures to fight inequality. Despite a shared view by mainstream economics on the damage of inequality to the very core of economic development (Grün and Klasen 2003) and thus the consequence that reducing inequality is of instrumental interest, it remains slippery terrain politically.

Inequality is a relative concept, and trickle-down mechanisms will not suffice to effectively reduce inequality (Lannen 2019). Even though poorer population segments have seen their incomes increase as well, the lion's share of economic gains over the last 40 years went to the well-off and, most of all, the extremely rich, as pointed out in the World Inequality Report (Alvaredo et al. 2018a). This is the result of political decision-making: "The biggest economic story of our time is not about supply and demand. It's about institutions and politics—it's about power" (Reich 2019). How do we build new countervailing powers? Scholars such as Robert Wade, Jason Hickel, or Ha-Joon Chang (Chang 2002; Dubner 2020; Hickel 2017; Wade 2014) have drawn attention to the power relations that reproduce a global order that favors the already privileged, including trade dynamics, which mainly benefit those at the top of the ladder. Strategies to address inequality will therefore have to unpack these power structures.

Effective progress towards more equal, more just societies requires an analysis of power relations and a public debate on privilege. This debate would shed light on the increasing wealth and power of a small group of people and legal entities that hold most of the world's value in stocks, bonds, real estate, and other forms of savings. The concentration of wealth that is with the super rich is the main driver of inequality in a high-income country such as Switzerland (Föllmi and Martínez 2017). Many industrial states are capital-friendly, and their fiscal policies are targeted at wealthy individuals whose interests are to reduce taxes on their assets. A lack of global rules³ or their enforcement (e.g., antitrust) and core systemic flaws (e.g., interest on debts) add to their privilege. A number of states have stopped taxing inheritance or other forms of fortunes entirely, and those that still do have constantly reduced the tax rate over the last 30 years (Föllmi and Martínez 2017; Saez and Zucman 2019). This rewards the economic behavior that is typical of a small population of well-off elite individuals, such as rent-seeking (Atkinson 2015). Combined, these systemic institutions and rules siphon wealth away from lower social strata, creating an actual trap for the less wealthy—the opposite of the so-called “American dream”. These dynamics are often masked by “growth for all” or “trickle down” rhetorics.

Not least, and important for SDG 10 and this volume, political privilege for capital drives ecological harm (Ceddia 2020). This aspect goes way beyond the coupling of increased well-being for all and the ecological footprint. Fostering the systematic advantage of a small but influential elite becomes hugely problematic from a perspective of sustainability and in view of the overdue transformations our societies are bound to embark on. The cleavage between utterly incompatible experiences by different population segments and social groups of, for instance, global warming, is hugely problematic. If privilege allows one to retreat to islands of wealth and to fence off sane environments, perceptions of multiple environmental crises and of their consequences will be irreconcilable. The contributions by Gosh et al. and Kupfer in this volume elaborate on the effects of the capitalist production system on the environment from different angles, shedding light on the linkages between inequality and environment.

Tremendous differences between the perceptions of the majority and the privileged are a massive obstacle when it comes to responding to these crises, where collective efforts and political coalitions are urgently needed. With diverging

³ Recently, 136 countries have agreed to a global minimum corporate tax rate of 15% to be implemented by 2023. This could actually break the trend of countries competing for the lowest rate and thus undermine the fiscal revenues of all countries.

perceptions and the spreading of political positions towards the extremes, it will be increasingly difficult to forge alliances, and it will be difficult for political majorities promoting effective sustainability pathways to ever be achieved; while environmental crises are ultimately a social problem (Ellis 2018; Chakrabarty 2020; Charbonnier 2020) and finding pathways to sustainability clearly is a collective task, these collectives will almost become impossible to build. Reducing inequality is therefore also an enabler for forging the social and political alliances needed to make transformative initiatives that are capable of winning critical majorities.

The present volume offers a range of debates and cases on the question of inequality and its relationship with sustainable development. The authors provide a diverse picture of how inequality unfolds in different societies around the globe, thereby delivering fascinating analyses at various levels and resolutions and covering a wide selection of themes. Each contribution speaks to a specific context, but each of them adds insights on inequality. The volume thus offers multifaceted perspectives on unequal societies on a fragile planet. The contributions illustrate that inequality can hardly be understated in view of urgently needed progress towards sustainable development.

In what follows, we throw out a set of unfinished think-pieces that are meant to stimulate further debates on the question of inequality and on potential pathways through which we can negotiate and reduce unequal structures. Some of the think-pieces are further elaborated upon in the chapters of this volume. They are a collection of scientific contributions to inspire sustainability pathways that take one of the most pertinent issues of our time into account.

4. The Way Forward—Ideas for Policy Reforms towards Reducing Inequality

4.1. Uncovering Key Dynamics: Adopt a Systemic View

The very first step to reduce inequalities is to adopt a systemic perspective, allowing for an integrative analysis covering both ends of the social ladder and scrutinizing how economic value is generated and accumulated and at whose cost—including environmental resources. This is a prerequisite to develop measures that are aimed at making the overall system fairer and to re-develop our economies in view of dignified lives for all within planetary boundaries (Lannen 2019). A systems perspective is bound to navigate trade-offs and to pursue pathways of promising co-benefits to achieve the global goals (Breu et al. 2021).

4.2. Fiscal Policies: From Redistribution to Fair Pre-Distribution

Policies to reduce inequality are often narrowly seen in terms of redistribution and are often viewed as tax and transfer policies; while this is an important element, it has to be put into perspective given the erosion of the state's redistributive role in light of massive tax reductions over the past 40 years (Saez and Zucman 2019). Powerful empirical evidence such as Piketty's argument that capital returns have outstripped the gains through economic growth in recent decades (Piketty 2013) has shed light on the historical shifts of the distributional dynamics. Based on these insights, Piketty and colleagues argue for revisions to the logic of the current taxing systems (Piketty 2013; Saez and Zucman 2019).

However, the argument we want to make in view of a substantial reduction in inequalities refers to a much broader policy agenda that has been subsumed under the premise of "pre-distribution". Pre-distributive measures aim to make the growth process itself more inclusive (Hacker 2011; Bozio et al. 2020). Pre-distribution comprises a set of policies that can affect the distribution of pretax income, e.g., the increased bargaining power of workers vis-à-vis firm owners and managers, wage-setting rules, corporate laws, or trade regimes (Bozio et al. 2020). Pre-distributive approaches are actually receiving tailwind: after the 2007/2008 financial crisis, governments argued they had no choice but to cut health and other basic services. The COVID-19 pandemic, however, has impressively demonstrated that states do have other options available. Austerity policies came to an immediate halt and were quickly replaced by crisis management strategies that mobilized unparalleled fiscal resources to bypass a large-scale economic decline.

Forces similar to the ones mobilized to navigate the pandemic could be aligned to fight the profound problem of widening inequalities that are threatening social coherence, undermining democratic institutions, and exacerbating the transgression of planetary boundaries. New institutions will have to be constructed to serve public interest, which is in contrast to some of the traditional structures that have become biased into exclusively serving the privileged. Such ideas could, for instance, be informed by novel discourses such as the Modern Monetary Theory or the Sovereign Money concepts (see, e.g., contribution by DiMuzio).

Rather reformist ideas to address the dysfunctionalities of modern capitalism have been offered by authors who consider themselves as "friends" of capitalism. Motivated by a deep concern about the massive disruptions to our societies, they deliver deeply critical accounts of the current state of market liberalism and offer pragmatic ideas of, for example, intelligent new taxes that could outstrip conventional

taxes in terms of efficiency as well as ethics (Collier 2019; Rajan 2019; Herrmann 2018).

4.3. Hardly the Silver Bullets: Economic Growth and Better Education

Economic growth is meaningless if it continues to go exclusively to the top 1% and only the crumbs are left to trickle down. Access to school and better education was and will be an important lever towards more equal societies, but it does not do the trick alone. Michael Sandel's razor-sharp analysis challenges the education argument in the context of the Western paradigm of meritocracy by bringing to light what he calls "a tyranny of merit". The structure he describes based on recent trends in US society evolved out of our strong belief that what you earn will depend on what you learn. Those at the top have come to believe that their success is their own doing, an immediate measure of their merit. Vice versa, those at the bottom have no one to blame but themselves. According to Sandel, these narratives eventually generate a hubris among the winners and humiliation among the losers and ultimately prepare the groundwork for deep societal divides, thus opening the doors for authoritarian populism (Sandel 2020).

4.4. Beyond the Invisible Hand—A Debate on what Creates Substantial Value

The classic economic story reads of the invisible hand—the market—that produces goods and services for us to reduce hardship, improve livelihoods, and enjoy our lives. However, at the same time, the market is also a constant source of structural failures. This raises the question as to whether we need to revise the common notion of what creates value—in the case of innovation, for example. Scholars such as Dani Rodrik and Mariana Mazzucato point out that "the innovation agenda has been captured by narrow groups of investors and firms whose values and interests don't necessarily mirror the society's needs" (Rodrik 2020). In an increasingly knowledge-driven economy, the innovation ecosystem should be improved to promote the wider diffusion of technologies, not least due to the fact that a majority of new technologies come out of state-funded research (Mazzucato 2011). An even more radical view on value creation is offered by Tim Jackson, who, by drawing on Hannah Arendt's distinction between "labor", "work", and "activity", points out the anthropological constant of material production. An essential element of human existence, what we strive for is substantial "work", that is, a productive activity that embeds us in our social environment and that results in a tangible impact on fellow humans and the environment (Jackson 2021). For this reason, the fiscal bias leading to the privilege of capital relative to labor should be adjusted. Today, labor is

weightily taxed—our social security systems heavily depend on it—making labor expensive. This creates incentives toward “excessive automation”—a process that destroys jobs without necessarily enhancing productivity (Brynjolfsson et al. 2020). Instead, the state, as a visible advisor, should reform the tax systems towards having higher capital, data, and resource taxes (Acosta 2017). Consequently, value extraction from workers would stop, and resource productivity would increase.

4.5. Information Revolution

The majority of us tend to underestimate the extent to which inequality characterizes current societies. Experiments have shown that people underestimate the degree of inequality, whereby they also tend to rank their own socio-economic position at a higher point than what corresponds to the measure. This, in turn, greatly influences political opinion building and voting behaviour, explaining why ever so often people vote against their very own interests. Increasing inequalities does not seem to be a problem that people constantly worry about, even though there is substantial research to demonstrate the advantages that more equal societies have in terms of well-being outcomes and important quality of life indicators (Wilkinson 2010). Awareness building and targeted information campaigns could make these concerns more tangible for the public. If the economic and social structures and inherent reward systems that tend to reiterate divisive dynamics become more apparent, this could eventually result in a change in political preferences, influence voting behavior, and spur novel initiatives for policy reform, for example, for much needed pre- or redistributive policies.

5. Conclusions

In the interview quoted at the beginning of this editorial, Branko Milanovic identified disciplinary blinkers that had prevented economists from analyzing inequality and from researching the reasons for its steady increase over a long period of time, with exceptions being colleagues such as Anthony Atkinson (2015). He explained how the economists did not consider the factors determining inequality “to be within their disciplinary purview” (Milanovic 2019). The present volume aims to identify that purview and invites a multi-perspective approach. The authors of this volume have contributed to illuminating the dynamics of inequalities from a variety of disciplinary perspectives and methodological approaches, including a large selection of thematic and geographic foci. The chapters comprise a range of conceptual frameworks for analyzing inequality, and it exceeds the scope of this editorial to provide an exhaustive exploration of inequality concepts and their

assessment, which we have achieved elsewhere (Lannen 2019). We also would like to reference the influential experts who have set the standards of the debate (Alvaredo et al. 2018a; Atkinson 2015; Milanovic 2016; Stewart 2016). The final selection of articles underlines the fact that inequality is a global phenomenon, making it imperative to open up analytical perspectives beyond economics and combine micro-to macro-level scales. This volume thus not only offers diverse representations but also surprising accounts of inequalities, bringing together debates that are rarely found between two book covers.

Author Contributions: Conceptualization, S.B. and C.B.; writing—original draft preparation, S.B. and C.B.; writing—review and editing, S.B. and C.B. All authors have read and agreed to the published version of the manuscript.

Funding: This research received no external funding.

Conflicts of Interest: The authors declare no conflict of interest.

References

- Acosta, Alberto. 2017. Post-Extractivism: From Discourse to Practice—Reflections for Action. In *Alternative Pathways to Sustainable Development: Lessons from Latin America*. Edited by Gilles Carbonnier, Humberto Campodónico and Sergio Tezanos Vázquez. Leiden/Boston: Brill-Nijhoff, pp. 77–101.
- Albertson, Kevin, and Paul Stepney. 2019. 1979 and All That: A 40-Year Reassessment of Margaret Thatcher’s Legacy on Her Own Terms. *Cambridge Journal of Economics* 44: 319–42. [CrossRef]
- Alvaredo, Facundo, Lucas Chancel, Thomas Piketty, Emmanuel Saez, and Gabriel Zucman. 2018a. World Inequality Report 2018. Available online: <http://wir2018.wid.world/> (accessed on 9 May 2022).
- Alvaredo, Facundo, Lucas Chancel, Emmanuel Saez, Gabriel Zucman, and Thomas Piketty. 2018b. *Die weltweite Ungleichheit: The World Inequality Report 2018*. München: C.H. Beck.
- Atkinson, Anthony Barnes. 2015. *Inequality: What Can Be Done?* Cambridge, MA: Harvard University Press.
- Beck, Ulrich. 2016. *Risikogesellschaft: Auf dem Weg in eine andere Moderne. Risikogesellschaft auf dem Weg in eine andere Moderne*. Frankfurt am Main: Suhrkamp.
- Breu, Thomas, Michael Bergöö, Laura Ebnetter, Myriam Pham-Truffert, Sabin Bieri, Peter Messerli, Cordula Ott, and Christoph Bader. 2021. Where to begin? Defining national strategies for implementing the 2030 Agenda: the case of Switzerland. *Sustainability Science* 16: 183–201. [CrossRef]
- Brooks, Clem, and Jeff Manza. 2013. A Broken Public? Americans’ Responses to the Great Recession. *American Sociological Review* 78: 727–48. [CrossRef]

- Brynjolfsson, Erik, Seth Benzell, and Daniel Rock. 2020. Understanding and Addressing the Modern Productivity Paradox. Massachusetts Institute of Technology. Available online: <https://workofthefuture.mit.edu/research-post/understanding-and-addressing-the-modern-productivity-paradox/> (accessed on 9 May 2022).
- Bozio, Antoine, Bertrand Garbinti, Jonathan Goupille-Lebret, Malka Guillot, and Thomas Piketty. 2020. Pre-distribution vs. Redistribution: Evidence from France and the U.S. 2020. World Inequality Lab Working Paper. Available online: <https://halshs.archives-ouvertes.fr/halshs-03022092/document> (accessed on 9 May 2022).
- Bucca, Mauricio. 2016. Merit and Blame in Unequal Societies: Explaining Latin Americans' Beliefs about Wealth and Poverty. *Research in Social Stratification and Mobility* 44: 98–112. [CrossRef]
- Canterbery, Estes Ray. 2015. *The Rise and Fall of Global Austerity*. Singapore: World Scientific.
- Ceddia, M. Graziano. 2020. The Super-Rich and Cropland Expansion via Direct Investments in Agriculture. *Nature Sustainability* 3: 312–18. [CrossRef]
- Chang, Ha-Joon. 2002. *Kicking Away the Ladder. Development Strategy in Historical Perspective: Policies and Institutions for Economic Development in Historical Perspective*. London and New York: Anthem Press.
- Chakrabarty, Dipesh. 2020. *The Climate of History in a Planetary Age*. Chicago, IL: Chicago University Press.
- Charbonnier, Pierre. 2020. *Abondance et liberté. Une histoire environnementale des idées politiques*. Paris: La Découverte.
- Collier, Paul. 2019. *Sozialer Kapitalismus! mein Manifest gegen den Zerfall unserer Gesellschaft*. München: Siedler.
- Collins, Chuk. 2021. Updates: Billionaire Wealth, U.S. Job Losses and Pandemic Profiteers. Blog on inequality.org. Available online: <https://inequality.org/great-divide/updates-billionaire-pandemic/> (accessed on 9 May 2022).
- Deaton, Angus. 2013. *The Great Escape Health, Wealth, and the Origins of Inequality*. Princeton: Princeton University Press.
- Dorning, Christian, Alf Hornborg, David J. Abson, Henrik von Wehrden, Anke Schaffartzik, Stefan Giljum, John-Oliver Engler, Robert L. Feller, Klaus Hubacek, and Hanspeter Wieland. 2021. Global Patterns of Ecologically Unequal Exchange: Implications for Sustainability in the 21st Century. *Ecological Economics* 179: 106824. [CrossRef]
- Dubner, Stephen J. 2020. Is Economic Growth the Wrong Goal? Available online: <https://freakonomics.com/podcast/doughnut-economics/> (accessed on 19 August 2020).
- Ellis, Earle. 2018. Science Alone Won't Save the Earth. People Have to Do That. *New York Times*. August 11. Available online: <https://www.nytimes.com/2018/08/11/opinion/sunday/science-people-environment-earth.html#commentsContainerinequalit> (accessed on 9 May 2022).

- Ferguson, James. 2015. *Give a Man a Fish: Reflections on the New Politics of Distribution*. The Lewis Henry Morgan Lectures. Durham: Duke University Press.
- Ferreira, Francisco H.G., Oliver Sterck, Daniel G. Mahler, and Benoît Decerf. 2021. Death and Destitution: The Global Distribution of Welfare Losses from the COVID-19 Pandemic. London School of Economics and Political Science. Available online: <https://ppr.lse.ac.uk/articles/10.31389/lseppr.34/> (accessed on 9 May 2022).
- Föllmi, Reto, and Isabel Martínez. 2017. Die Verteilung von Vermögen und Einkommen in der Schweiz. UBSCenter UZH. Available online: https://www.ubscenter.uzh.ch/de/publikationen/public_papers/die-verteilung-von-einkommen-und-vermoegen-in-der-schweiz.html (accessed on 9 May 2022).
- Grün, Carola, and Stephan Klasen. 2003. Growth, Inequality, and Well-Being: Intertemporal and Global Comparisons. *CESifo Economic Studies* 49: 617–59. [CrossRef]
- Goldin, Ian. 2021. COVID-19: How Rising Inequalities Unfolded and Why We Cannot Afford to Ignore It. The Conversation. Available online: <http://theconversation.com/COVID-19-how-rising-inequalities-unfolded-and-why-we-cannot-afford-to-ignore-it-161132> (accessed on 9 May 2022).
- Hacker, Jason. 2011. *The Institutional Foundations of Middle-Class Democracy*; Essay Progressive Governance. Available online: https://www.jacobhacker.com/assets/hacker_pn.pdf (accessed on 9 May 2022).
- Herrmann, Ulrike. 2018. *Kein Kapitalismus ist auch keine Lösung. Was wir von Smith, Marx und Keynes lernen können*. München: Piper.
- Hickel, Jason. 2017. *The Divide—A Brief Guide to Global Inequality and Its Solutions*. London: William Heinemann.
- Hickel, Jason. 2021. What Does Degrowth Mean? A Few Points of Clarification. *Globalizations* 18: 1105–11. [CrossRef]
- ILO. 2019. The Global Labour Income Share and Distribution. Available online: <https://www.ilo.org/ilostat-files/Documents/Labour%20income%20share%20and%20distribution.pdf> (accessed on 7 February 2021).
- Jackson, Tim. 2021. *Post Growth: Life after Capitalism*. *Post Growth Life after Capitalism*. Cambridge: Polity.
- Kartha, Sivan, Eric Kemp-Benedict, Emily Ghosh, and Anisha Nazareth. 2020. *The Carbon Inequality Era. An Assessment of the Global Distribution of Consumption Emissions among Individuals from 1990 to 2015 and beyond*; Stockholm: Stockholm Environment Institute. Available online: <https://www.sei.org/publications/the-carbon-inequality-era/> (accessed on 9 May 2022).
- Klasen, Stephan. 2003. What Can Africa Learn from Asian Development Successes and Failures? *Review of Income and Wealth* 49: 441–51. [CrossRef]

- Klasen, Stephan. 2016. Rising Inequality in Developing Countries: What Can Be Done? *Views on Development, kfw Development Research 2*. Available online: https://www.kfw-entwicklungsbank.de/PDF/Download-Center/PDF-Dokumente-Development-Research/2016-08-04_MF-Klassen-Ungleichheit_EN.pdf (accessed on 9 May 2022).
- Klasen, Stephan. 2018. The Impact of Gender Inequality on Economic Performance in Developing Countries. *Annual Review of Resource Economics* 10: 279–98. [CrossRef]
- Kuziemko, Ilyana, Michael I. Norton, Emmanuel Saez, and Stefanie Stantcheva. 2015. How Elastic Are Preferences for Redistribution? Evidence from Randomized Survey Experiments. *American Economic Review* 105: 1478–1508. [CrossRef]
- Lannen, Anu. 2019. Inequality: What is in a Word? Edited by Sabin Bieri and Christoph Bader. Available online: https://boris.unibe.ch/130698/1/14_CDE_PB_Inequality_EN.pdf (accessed on 9 May 2022).
- Larsen, Christian A. 2016. How Three Narratives of Modernity Justify Economic Inequality. *Acta Sociologica* 59: 93–111. [CrossRef]
- Martínez, Isabel Z., Daniel Kopp, Rafael Lalive, Stefan Pichler, and Michael Siegenthaler. 2021. *Corona Und Ungleichheit in Der Schweiz. Eine Erste Analyse Der Verteilungswirkungen Der COVID-19-Pandemie*. 161. *KOF Studien*. Zürich: Konjunkturforschungsstelle der Schweiz, Available online: <https://ethz.ch/content/dam/ethz/special-interest/dual/kof-dam/documents/Medienmitteilungen/Sonstige/Studie%20Ungleichheit%20final.pdf> (accessed on 9 May 2022).
- Mazzucato, Mariana. 2011. The Entrepreneurial State. *Soundings* 49: 131–42. [CrossRef]
- Milanovic, Branko. 2016. *Global Inequality: A New Approach for the Age of Globalization*. *Global Inequality a New Approach for the Age of Globalization*. Cambridge, MA: The Belknap Press of Harvard University Press.
- Milanovic, Branko. 2019. Causes and Remedies of Inequalities. Interview. Available online: <https://www.graduateinstitute.ch/communications/news/interview-brankomilanovic-patterns-causes-and-remedies-global-inequalities> (accessed on 3 February 2021). Interview.
- Möllers, Christoph. 2020. *Freiheitsgrade: Elemente einer Liberalen Politischen Mechanik*. *Freiheitsgrade Elemente einer Liberalen Politischen Mechanik*. Erste Auflage, Originalausgabe. Edition Suhrkamp 2755. Berlin: Suhrkamp.
- Nachtwey, Oliver. 2016. *Die Abstiegs-gesellschaft. Über das Aufbegehren der Regressiven Gesellschaft*. Frankfurt am Main: Suhrkamp.
- Oberholzer, Basil. 2021. *Die Globale Armut Bekämpfen: Wirtschaftspolitische Strategien Für Entwicklungsländer*. Wiesbaden: Springer Gabler.
- Oxfam. 2021. Five Shocking Facts about Global Inequality and How to Even It Up. Available online: <https://www.oxfam.org/en/5-shocking-facts-about-extreme-global-inequality-and-how-even-it> (accessed on 7 February 2021).

- Piketty, Thomas. 2013. *Le Capital au XXIe Siècle*. Les Livres du Nouveau Monde. Paris: Seuil.
- Piketty, Thomas, André Hansen, Enrico Heinemann, Stefan Lorenzer, Ursel Schäfer, and Nastasja S. Dresler. 2020. *Kapital Und Ideologie*. München: C.H. Beck.
- Quah, Danny. 2003. *Digital Goods and the New Economy*. London: London School of Economics and Political Science, Available online: <http://eprints.lse.ac.uk/2236/> (accessed on 9 May 2022).
- Rajan, Raghuram Govind. 2019. *The Third Pillar: How Markets and the State Leave the Community Behind*. New York, NY: Penguin Press.
- Reckwitz, Andreas. 2017. *Die Gesellschaft der Singularitäten: Zum Strukturwandel der Moderne*. Erste Auflage. Berlin: Suhrkamp.
- Reich, Robert. 2019. Everything You Need to Know About the New Economy. Available online: <https://robertreich.org/post/183902640290> (accessed on 9 May 2022).
- Reich, Robert. 2020. *The System—Who Rigged It, How We Fix It*. New York: Vintage Books.
- Rodrik, Dani. 2020. Democratizing Innovation. Project Syndicate. Available online: <https://www.project-syndicate.org/commentary/policymakers-should-influence-course-of-technological-innovation-by-dani-rodrik-2020-08> (accessed on 9 May 2022).
- Saez, Emmanuel, and Gabriel Zucman. 2019. *The Triumph of Injustice: How the Rich Dodge Taxes and How to Make them Pay*. New York, NY: W.W. Norton.
- Sandel, Michael J. 2020. *The Tyranny of Merit: What is Become of the Common Good?* New York: Farrar, Straus and Giroux.
- Scheidel, Walter. 2018. *The Great Leveler: Violence and the History of Inequality from the Stone Age to the Twenty-First Century*. Princeton: Princeton University Press.
- Sen, Amartya. 2001. *Development as Freedom*. Oxford: Oxford University Press.
- Steffen, Will, Katherine Richardson, Johan Rockström, Sarah E. Cornell, Ingo Fetzer, Elena M. Bennett, Reinette Biggs, Stephen R. Carpenter, Wim de Vries, Cynthia A. de Wit, and et al. 2015. Planetary Boundaries: Guiding Human Development on a Changing Planet. *Science* 347: 1259855. [CrossRef] [PubMed]
- Stewart, Frances. 2016. Changing Perspectives on Inequality and Development. *Studies in Comparative International Development* 51: 60–80. [CrossRef]
- Wegerif, Marc C.A., and Arantxa Guereña. 2020. Land Inequality Trends and Drivers. *Land* 9: 101. [CrossRef]
- Wilkinson, Richard G. 2010. *The Spirit Level: Why Equality Is Better for Everyone. The Spirit Level Why Equality Is Better for Everyone*. London: Penguin Books.
- Wade, Robert H. 2014. The Piketty phenomenon and the future of inequality. *Real-World Economics Review* 16. Available online: <http://paecon.net/PAEReview/issue69/Wade69.pdf> (accessed on 9 May 2022).

© 2023 by the authors. Licensee MDPI, Basel, Switzerland. This article is an open access article distributed under the terms and conditions of the Creative Commons Attribution (CC BY) license (<http://creativecommons.org/licenses/by/4.0/>).

The Missing Link between Inequality and the Environment in SDG 10

Emily Ghosh, Anisha Nazareth, Sivan Kartha and Eric Kemp-Benedict

1. Introduction

The Sustainable Development Goals (SDGs) were first proposed as a way to remedy an inequity built into the structure of the Millennium Development Goals (MDGs). The MDGs asked developing countries to act, while high-income countries were to provide funding and leadership (Caballero 2019). Colombia, a developing country, put forward the original concept for the SDGs, a clear demonstration that leadership could come from outside the “developed” countries. A universal agenda was to be created, in which all countries would have the responsibility to act. This did not resolve all equity concerns; indeed, many G77 member countries objected on the grounds of another equity principle, that of “common but differentiated responsibilities” (Caballero 2019, p. 138), in that developing countries were now taking on duties that some developing countries viewed as the responsibility of the high-income countries. Negotiating through the thicket of powerful actors and contradictory agendas was an enormous task, capped by a marathon final session that ran 48 h past its planned ending (Kapto 2019).

The need to address inequality in the SDGs was reinforced in the terms of reference to the SDG High Level Panel of Eminent Persons convened by the UN Secretary General, who asked for “[r]ecommendations on how to build and sustain broad political consensus on an ambitious yet achievable Post-2015 development agenda around the three dimensions of economic growth, *social equality* and environmental sustainability” (UN Secretary General 2012, emphasis added). This mandate is reflected at a high level in the SDGs, with one goal, SDG 10, being to “[r]educe inequality within and among countries”. The separate specification of inequality within and among countries captures two divergent perspectives, evident in the SDG negotiations, on what aspects of inequality merited attention (Fukuda-Parr 2019). First, the problem of *vertical inequality*, captured by the phrase “extreme inequality” and reflecting concern over the concentration of wealth and power among national and global elites. Second, the problem of *horizontal inequality*, captured by the phrase “exclusion” and reflecting concern over access by vulnerable and marginalized communities.

The targets associated with SDG 10 are more aspirational than those for other SDGs and encompass a wide range of goals, from income growth and social protection to improved market regulation and migration policies, and more. SDG 10 does not necessarily advocate for a large-scale redistribution of wealth. Still, it encourages increased opportunities for prosperity by reducing discrimination and promoting equitable access to opportunities both at a global and individual level (Oestreich 2018); while making space for the disenfranchised can reduce inequality to a certain extent, without acknowledging the systemic processes and actions resulting in the inequalities in the first place, current disparities will persist (Oestreich 2018). Addressing systemic inequalities can support the distributive, non-discriminatory justice that SDG 10 ultimately strives to achieve (Basnett et al. 2019). We argue in this chapter that due to systemic relationships between development and environment, addressing systemic inequalities holds especially true for inequalities around environmental resources and impacts, which we collectively refer to as “environmental inequalities”.

1.1. The Relationship between SDG 10 and the Environment

Tackling inequalities is central to the achievement of SDGs other than the explicitly inequality-focused SDG 10. There are direct links between inequality and the environment. As a result, there are links between inequality and the SDGs that target environmental resources or impacts (Basnett et al. 2019). For example, the power held by wealthy nations led to extensive resource and land appropriation of developing countries. These inequalities brought forth the high levels of carbon dioxide emissions (SDG 13) and environmental degradation we see today (SDG 12) (Sealey-Huggins 2017), resulting in the exceedance of several planetary boundaries (SDGs 14 and 15) (Steffen et al. 2015). While climate impacts will affect everyone to some degree, poor and marginalized communities and low- and middle-income countries will bear disproportionately higher health risks (SDG 3), food, water, and energy insecurities (SDG 2, 6, 7), and threats to people’s livelihoods (SDG 1.5 and 5), therefore further deepening inequalities.

However, despite the assortment of inequalities described within SDG 10, none of the targets explicitly mention the environment—one of the three pillars of sustainability. The implication is that the environment is taken care of by meeting other SDG targets (Oestreich 2018). Without explicit mention of the environmental dimension of inequality, there is a risk that proposed environmental solutions will neglect the poor and other marginalized groups or the constraints faced by low- and middle-income countries, leading to further inequalities.

Short of transparent, quantifiable processes and indicators dedicated to reducing environmental inequalities, some communities may find themselves worse off despite overall environmental gains (Basnett et al. 2019). For these reasons, environmental inequalities pose a risk to achieving sustainable development goals (UNDP 2014).

Through increased awareness of the trade-offs and synergies of various environmental solutions and an understanding of institutional, economic, and political drivers of inequality, there is an opportunity to ensure that SDG-related activities address the links between the environment and the intersections with poverty, gender, race, and other issues (Basnett et al. 2019; Schleicher et al. 2018) and differential development challenges between countries (Kartha et al. 2012).

1.2. The Disputed Environmental Kuznets Curve

Before proceeding, we first acknowledge that many discussions on environmental inequality begin with the “environmental Kuznets curve” (EKC), which depicts a hypothetical relationship between environmental pollution and income per capita. First described by Grossman and Krueger (1991), the EKC suggests that environmental degradation is necessary for the initial stages of economic growth and that, ultimately, economic growth will fix ecological problems. While the EKC may apply to pollutants with immediate and fairly localized impacts such as sulfur dioxide, nitrogen oxide, and particulate matter, evidence for an EKC is weak at best for carbon emissions, waste generation, land degradation, and the decline of natural resources (Stern 2004).

In the case of carbon emissions, developed countries and high-income individuals are most responsible for climate change, mainly when consumption-based emissions¹ are considered (Kartha et al. 2020; Jorgenson et al. 2017; Chancel and Piketty 2015). Yet, climate damage affects developing countries to a much higher degree, particularly those living in small island developing states and the least developed countries (IPCC et al. 2018). This vulnerability is partly because of increased exposure to climate hazards in specific geographic locations, greater dependence on climate-sensitive sectors such as agriculture, and fewer resources to cope with and recover from negative climate impacts (Islam and Winkel 2017).

¹ Territorial-based emissions are directly generated by a country, whereas consumption-based emissions are embodied in goods and services.

Despite high levels of income per capita, developed countries do not appear to be lowering their emissions fast enough, if at all, to meet emissions targets. As a result, only a 5% chance exists of staying below a 2 °C increase in average global temperature based on current emission reduction trends (Liu and Raftery 2021). Furthermore, a study by Dorninger et al. (2020) showed that in 2015 alone, approximately 50% of resource consumption by developed countries came from the developing world. This leaves developing countries to not only adapt to climate change, but also manage the ecological impacts of resource use by the Global North.

Therefore, in addition to the lack of evidence, the EKC appears to be country-specific and does not address the inequalities within a country and the power dynamics between countries affecting environmental outcomes. These disparities are relevant for taking appropriate climate action and combating other environmental problems. To better understand these inequalities, the following sections will use popular frameworks for assessing the connections between inequality and the environment.

1.3. Frameworks for Analyzing Environmental Inequalities

Considerable research already exists on environmental inequalities, which have been systematized to a greater or lesser extent in frameworks or approaches. We consider three in this chapter. Research on *climate equity and justice* explores the inequalities between countries, and corresponding responsibilities, regarding GHG emissions while acknowledging a developing country's right to development (Fleurbaey et al. 2014; Kartha et al. 2012). Within a country, *environmental justice* scholarship highlights the disproportionate risks that minorities and poor communities face from environmental exposure (e.g., air, water, or soil pollution and degradation) and climate change (McGurty 1997; Mohai et al. 2009). Adding to these two frameworks are statistical studies on the *distributional* impacts of damage upon ecosystems and the natural environment, resulting in disproportionate harm to human wellbeing, depending on who has wealth and power (Boyce 2008; Holland et al. 2009). Taken as a whole, the frameworks cover both vertical and horizontal aspects of inequality while viewing inequalities from a systems perspective. The climate equity framework focuses squarely on vertical inequality, the concentration of power, and links between historical responsibility for emissions and income. The environmental justice framework, by contrast, puts most attention on horizontal inequality, listing specific vulnerable groups that tend to rely most closely on ecological services for their livelihoods and bear most of the consequences of environmental harm. The distributional framework offers the promise of looking

both vertically and horizontally in a unified critique. This chapter uses these frameworks for conducting an in-depth analysis of linkages between inequality and the environment.

2. Environmental Inequalities through a Climate Equity Framework

Not only do more unequal countries tend towards worse environmental outcomes (IPCC et al. 2018), both within and between countries, polluters who generate or drive the generation of waste and emissions are typically the least affected by it. The climate equity framework explores how inequality is a driver that systemically undermines climate action and contributes to climate disruption. We discuss here four mutually reinforcing mechanisms by which this happens, further discussed below:

1. Inequality leads to greater greenhouse gas emissions;
2. Inequality insulates the political and economic elite from the worst of climate impacts;
3. Inequality reinforces elite preference for a status quo hostile to climate action;
4. Inequality erodes social trust required for collective action.

2.1. Inequality Leads to Greater Greenhouse Gas Emissions

The wealthiest 1% of the world's population is responsible for twice the emissions of the poorest half. Their footprint is more than 100 times larger, matching their greater consumption, wealth, and political influence (Kartha et al. 2020). Compared to an equal world, this level of inequality implies a much larger global economy—and overall level of consumption and environmental impacts generally—to achieve a given level of economic wellbeing for the world's population of more than seven billion, many of which still lack basic energy services.

In the global context, this has meant that wealthy countries are responsible for depleting a disproportionate share of the global carbon budget and need to reduce their emissions to enable lower-income countries to meet their needs and achieve the SDGs while staying within the carbon budget. Without wealthy countries accepting responsibility for their emissions and providing significant support, poorer countries face the choice between rapid and disruptive decarbonization on the one hand and worsening impacts from disruptive climate change on the other.

2.2. Inequality Insulates the Powerful from Climate Impacts

Those countries and classes with the most political and social power are not the same ones as those experiencing the worst harms from climate change. Climate change may appear as a future problem to some people, but for many, it is a problem now (Steynor et al. 2020; Jones et al. 2017). This inevitably undermines climate action. Extremes of inequality can enable powerful countries and national elites to insulate themselves from the negative consequences of their decisions, even as they plague the majority (Notre Dame Global Adaptation Initiative 2021; Otto et al. 2019). This insulation eliminates, or significantly reduces, the economic and social costs of climate disruption and reduces the cognitive and political salience of climate change as a pressing concern, thus delaying action.

2.3. Inequality Enables Those Who Benefit from Investments in Fossil Fuels to Preserve the Status Quo

Those who benefit directly from fossil fuel extraction have actively worked to prevent or delay climate action. These are often the largest and most powerful corporations and the wealthiest and most politically active individuals. Their efforts can occur in a variety of forms, from establishing think tanks to wage misinformation campaigns towards the public (Supran and Oreskes 2017), to lobbying policymakers to prevent or weaken climate policy in order to impede climate action (Brulle 2018), or shaping legal and regulatory systems to maintain disproportionate power over policy directions (Gear 2014).

2.4. Inequality Erodes Social Trust

Numerous studies have demonstrated the centrality of rules that provide some bounds to inequity and foster social trust for successful navigation of small-scale commons challenges (Ostrom 2000). Some level of fairness is widely understood as an essential component of a politically feasible domestic policy (Huber et al. 2020). Internationally, there has been widespread recognition that countries will not commit to an agreement they do not perceive as 'fair enough' (Winkler et al. 2017; Young 2013). At all scales of action, attention to inequality is a political necessity to achieving environmental sustainability.

SDG 10's exclusive focus on economic outcomes and representation fails to acknowledge the underlying social structures and power balance between countries that weaken global climate action. While there are obvious inequalities between the elite and poor on an international scale, there are similar observations that can be seen within a country, as described in the following section.

3. Environmental Inequalities through an Environmental Justice Framework

Inspired by the Civil Rights movement, the environmental justice movement emerged in the 1980s following protests against a new landfill in Warren County, North Carolina, US when it was revealed that racism against poor, African American residents played a role in deciding the landfill's location (McGurty 1997). From then on, several studies found that poor, minority, and disenfranchised communities face heightened risk from contaminated air, water, soil, and climate change not only due to circumstance but due to politics and the political power of the elite and other dominant groups (Mohai et al. 2009). Here, using an environmental justice framework, we provide examples of how environmental risks may present themselves in different individuals and groups and also examine how these inequalities arise in the first place. This leads to the following observations:

1. Inequalities lead to disproportionate levels of environmental risk for vulnerable groups;
2. Inequalities arise for economic, political, historical, and social/cultural reasons;
3. An environmental justice framework can inform action on the SDGs.

3.1. Inequalities Lead to Disproportionate Levels of Environmental Risk by Vulnerable Groups

High concentrations of emissions from toxic pollutants and greenhouse gases can have a wide range of effects upon atmospheric, terrestrial, and aquatic ecosystems as well as temperature and rainfall patterns. While everyone will face the consequences of these environmental issues to some degree, the characteristics of a person, household, community, or social group often dictate the susceptibility to the risk of exposure. Those most vulnerable to disproportionate levels of environmental risk tend to include:

- Infants and Children;
- Elderly;
- Individuals with disabilities;
- Institutionalized individuals;
- Low-income households;
- Immigrants;
- Refugees;
- Ethnic minorities;
- Women;
- Rural households;
- Indigenous communities;
- Future generations.

Other circumstances that may be perceived as a disadvantage include lack of land ownership, geographic isolation, literacy rate, occupation, or level of political influence.

Physiological features, such as age, increase sensitivity to specific environmental impacts. Infants, children, and the elderly have lower immunity levels and are more at risk from exposure to harmful pollutants. For example, high levels of sulfur dioxide emissions from fossil fuels and industrial facilities lead to higher rates of lung disease and respiratory problems in children and the elderly (Chen et al. 2007). Exposure to heavy metals, such as lead, in water, soils, and other surfaces in small concentrations can have developmental effects on newborns and young children (Manisalidis et al. 2020). In general, pollution is linked to poorer academic performance in children (Mohai et al. 2011).

Extreme weather events are occurring with greater frequency and intensity due to climate change. Heatwaves cause higher levels of mortality in the elderly (Kovats and Hajat 2008). Hurricanes or typhoons present additional challenges for individuals with limited mobility when evacuations are necessary, such as the elderly, disabled, or institutionalized (e.g., those in prison, nursing homes, substance abuse facilities, etc.). Supplementary resources and specialized emergency preparedness plans are needed for individuals in these situations to avoid being left behind and left to cope with the mental and physical health effects stemming from neglect (Benevolenza and DeRigne 2019).

The physical and mental health burdens from pollution and climate change impacts also have cost burdens. Low-income households do not have the financial resources to adapt to climate change and shoulder higher costs from health care expenses, climate damage, or increasing energy requirements, including air conditioning for heatwaves or space heating for extremely cold temperatures. Poorer households also face higher levels of exposure from environmental or climate threats as they are more likely to live near high-risk areas, such as industries, power plants, highways, or floodplains (Mohai et al. 2009). Immigrants, refugees, and ethnic minorities often face structural racism and discrimination resulting in similar concerns, including a lack of access to the resources needed to adapt.

The economic and cultural livelihoods of rural households and Indigenous communities that rely on nature are significantly impacted by ecological and climate changes, as well as poorly managed environmental and forest protection initiatives. Castañeda et al. (2018) found that over 75% of working adults living in extreme rural

poverty² engage in agriculture for a living. However, climate-change-driven extreme events (i.e., drought, floods), changes to rainfall patterns as well as increasing levels of pests and diseases threatens agricultural production and have the potential to push more than 100 million rural families into deeper levels of poverty (FAO et al. 2018).

For Indigenous peoples, many of the environmental challenges faced today are tied to colonialism. It was through colonialism that many Indigenous peoples had their wealth, land, and resources taken away. Not only did colonialism and the appropriation of their resources lead to industrialization and a rise in carbon emissions, but it also leaves former colonies more exposed to climate change impacts (Sealey-Huggins 2017). Colonial legacies continue to exist today through globalization, capitalism, and imperialism (Schulz 2017). For example, many Indigenous communities continue to face the exploitation of natural resources and the abuse of land rights by energy and mining companies, including renewable energy projects (Temper et al. 2020). Furthermore, there is evidence of global NGOs and governments forcing Indigenous people to leave their lands to create conservation areas (Domínguez and Luoma 2020). These decisions have led to as many as 25 people being killed per year for defending their land and protecting their livelihoods (Butt et al. 2019). Therefore, for climate and environmental action to be effective, they must include decolonization and respect for land rights.

There are many ways that the various marginalized groups may overlap or intersect, exacerbating the inequitable outcomes that some individuals might experience from climate change (Kaijser and Kronsell 2014). For example, gender issues often intersect with the challenges described above. Women tend to be more dependent on common property resources and more vulnerable to the impacts of natural resource degradation than men (Foa 2009). Moreover, women are more likely to live in poverty, so many health, cost, and livelihood burdens have significant gender implications (Oxfam International 2020). Globally, women spend three times more time on unpaid labor (i.e., cooking, cleaning, childcare) (OECD 2018), so in households that use dirty cooking fuels like wood, dung, crop wastes, charcoal, or kerosene, women are twice as likely to get chronic obstructive pulmonary disease from indoor air pollution compared to women using clean cooking fuels (WHO 2018). Issues related to reproductive justice also often overlap with environmental justice. Pollutant emissions from toxic facilities near residential neighborhoods leads to serious reproductive and health hazards including breast cancer, birth defects,

² Using the World Bank definition of extreme poverty as those living on less than USD 1.90 per day.

spontaneous abortions, and infertility. The inability to control one's reproduction (lack of access to birth control and support to flee abusive relationships) further increases the risk of poverty. Furthermore, pregnant women have lower immunity levels and are more sensitive to air and water pollution (Manisalidis et al. 2020). There are also concerns about the accumulation of toxic chemicals in body fat being passed through breast milk to infants. Environmental protection and green policies can help improve gender equality, with many economic and social co-benefits.

There are also obvious intergenerational impacts of climate change. Future generations will bear the highest cost of climate inaction. Political leaders tend to delay strong climate governance as they believe there is a political trade-off between ensuring short-term economic gains against long-term sustainability. Instead of enacting rigorous policies to reduce emissions, the scale of action has mainly been at the household level, where individuals are choosing to reduce their carbon footprints with plant-based diets, low-emission transport, household energy efficiency initiatives, and more. These individual choices are not nearly enough compared to the system-level changes needed to limit climate change. As a result, there are indications that many young people are experiencing climate anxiety due to profound uncertainty over their future (Wu et al. 2020). Youth-initiated climate movements are gaining traction worldwide and are demanding policymakers to take action now (Lawson et al. 2018).

3.2. Inequalities Arise for Economic, Political, Historical, and Social/Cultural Reasons

Above, we provide examples of how environmental impacts on different groups lead to livelihood, wellbeing, health and cost burdens, and their potential to cause civil unrest and migration. As summarized by Mohai et al. (2009), the reasons behind these environmental inequalities vary but typically stem from economic motives, power imbalances, historical legacies, or simply discrimination, as described below. Once environmental inequalities are in existence due to any of the reasons listed above, they are reinforced through the emulation of existing organizational models or social/cultural traditions or the continued lack of resources, capacity, and power to take action (Tilly 1999).

Over time, economic needs are repeatedly prioritized over the needs of communities. For economic benefit, dirty industrial or waste facilities are sited in areas where land is inexpensive, which also happen to be where low-income families and other marginalized groups most likely reside. These facilities may drive people away (at least those who can afford to leave) and lower property costs, bringing more low-income people and attracting more industrial facilities. Not

only does economics play into the siting of facilities, but economic growth also depends on natural resources. When natural resources are scarce and only available on Indigenous lands, resource needs may be chosen over the needs of Indigenous communities leading to conflict (Mohai et al. 2009).

Instead of finding synergistic solutions that meet economic demands and prevent environmental degradation, the two factors are posed as “trade-offs”, where one can only thrive at the expense of the other (McGurty 1997). Policymakers can enact environmental regulations to reduce trade-offs, but rather than realizing the societal benefits of pollution control and clean-up, environmental regulations are often seen as regressive, thus disproportionately harming vulnerable groups (McGurty 1997).

In general, policymakers and even mainstream environmentalists in traditional environmental organizations perpetuate inequities through the limited involvement of minorities in leadership positions and environmental decision-making processes (McGurty 1997; Green 2.0 2021). Based on a cross-sectional analysis of environmental policies and power distributions across the US, Boyce et al. (1999) found that inequalities in power led to weaker environmental policies. This often occurs because decision makers face less risk themselves and instead risk vulnerable communities that are unable to defend themselves due to a lack of financial resources and political clout (in contrast with mainstream environmentalists with money, capacity, and political connections) (Boyce et al. 1999).

There are also historical reasons for inequities. For example, in the US, industrial zoning and urban planning practices are influenced by racial segregation policies. These legacies continue to impact the placing of industrial sites in Black communities (Mohai et al. 2009). There are also historical inequities related to colonization. Many Indigenous communities had to relocate to undesirable locations that have been found to be very susceptible to climate impacts (Parker et al. 2006).

In some cases, there is evidence of blatant discrimination towards certain races, ethnic groups, social classes, castes, or other minorities, related to the positioning of toxic sites or industrial facilities, or lack of consideration in the planning of natural resource use, environmental solutions, and resiliency plans. In these situations, present-day racism (or classism, casteism, etc.) may present itself as “environmental racism” (Holifield 2001). One example of this type of discrimination is against “Dalits”, lower-caste or oppressed individuals in Indian society. Dalits are considered untouchable, and many believe they “contaminate” the things they touch. For this reason, they are often discriminated against utilizing common resources, particularly

water sources, for fear from higher-caste individuals that their touch will contaminate the water body (Dutta et al. 2015).

3.3. *An Environmental Justice Framework Can Inform Action on the SDGs*

Based on the various environmental injustices identified above and the sources of those injustices, it is clear that SDG 10 does not explicitly cover these types of environmental inequalities or provide mechanisms to address them. The Principles of Environmental Justice³ offer solutions for how environmental inequalities could be mitigated. The main themes identified in the Principles include minimizing exposure to toxic pollutants or climate damage, recognizing land ownership rights, enabling self-determination of land and resource use, ensuring representation, active participation, and an equal voice early on in decision-making processes, and providing a legal avenue for seeking justice (without the need for an extensive amount of resources).

Many SDG targets touch on these themes, though not exclusively in relation to the environment or specific groups. For instance, SDG targets 1.4 (poverty) and 5.a (gender) advocate for “equal rights to economic resources” including “ownership and control over land and other forms of property, inheritance, natural resources”. Several SDG targets seek to minimize exposure, such as SDG target 1.5 (poverty) which aims to “build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events” or SDG target 3.9 (health) which strives to “substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination”; while some SDG targets refer to certain vulnerable groups, such as women, children, or low-income households, SDG target 13.b on climate-change planning is the only target to focus on “marginalized communities”.

Typically, projects, plans, and policies apply to all individuals within a society. Distributional assessments of projects, plans, and policies can highlight specific concerns for each societal group. This is not a typical practice. Potential impacts are often assessed separately, for example, through a health audit, gender impact assessment, livelihood assessment, and so forth. Instead of taking a piecemeal approach, systematic methods are needed to assess vulnerabilities together (Walker

³ “Delegates to the First National People of Color Environmental Leadership Summit held on 24–27 October 1991, in Washington DC, drafted and adopted 17 principles of Environmental Justice. Since then, The Principles have served as a defining document for the movement for environmental justice.” (see <https://www.ejnet.org/ej/principles.html> accessed on 1 November 2020).

2010). A more detailed analysis of distributional impacts and assessments is given in the next section using climate change planning as an example.

4. Environmental Inequalities through Analysis of Distributional Impacts

As we have seen from the preceding discussion on climate equity, developing countries are more vulnerable to climate damage compared to developed countries. Similarly, from our review of environmental justice studies, we show that the global high-income “polluter elite” (Kenner 2020) who are most responsible for pollutants and carbon emissions (Kartha et al. 2018) do not bear the brunt of the health risks associated with pollution. However, even attempts to remediate environmental harm can disproportionately impact poor and vulnerable communities (Büchs et al. 2011; Kemp-Benedict and Kartha 2019; Muttitt and Kartha 2020). Green taxes and environmental permits, for instance, are routinely regressive (Ekins and Dresner 2004; Serret and Johnstone 2006).

Reducing environmental impacts is only one aspect of transitioning to a cleaner environment. To ensure a just and equitable sustainability transition, we need to ensure that the poor and vulnerable are not left behind and that the transition does not exacerbate income inequality or the suffering of marginalized populations. We use studies of distributional impacts to assess how in the absence of conscious planning, interventions to reduce the effects of climate change can often worsen international and intranational inequities. That brief investigation suggests the following:

1. Both climate damage and solutions have distributional impacts;
2. Effective policies must include explicit equity-related targets.

4.1. Both Climate Damage and Solutions Have Distributional Impacts

Climate damage and the solutions proposed to address it are likely to have distributional impacts across populations depending on a variety of factors such as proximity to the changes, ability to access the benefits, historical spending patterns, physiological difference between individuals, cultural differences between communities, etc. Given that it is usually impossible to distribute the costs of climate damage proportionally (based on who is most responsible for the damages), the question then is what kind of climate-based decisions and solutions would be seen as equitable?

Serret and Johnstone (2006) assess what an equitable outcome of climate policy would look like. They define it as an outcome that produces “equal exposure to environmental harm or equal per capita benefit of environmental benefits” (ibid.) when measured across income groups. However, this definition of environmental

equity addresses only distributional environmental impacts across income. Income is only one of the many vectors along which there is an unequal distribution of power. Inequitable distributions of power are often present between different ethnicities, genders, castes, and geographies, to name a few.

When considering equity across so broad a distribution of populations, the definition of “harm” and “benefit” are not homogenous and are often tied to who has the political power to determine what counts as a “harm” and “benefit”. Those who bear the costs of climate policies are often the least involved in the decision making that results in these policies. Moreover, the different forms of inequality often reinforce each other; health inequalities can lead to educational inequalities, leading to wealth inequalities (Markkanen and Anger-Kraavi 2019). From a policy perspective, equitable policies are those that recognize these multi-layered inequalities and seek to remedy them; that is, policies that explicitly account for and cater to the needs of vulnerable groups. However, as Markkanen and Anger-Kraavi (2019) point out, there is no globally recognized definition of vulnerable populations. They, therefore, suggest looking at equity from an outcomes perspective. That is, equitable policies result in an equitable distribution of the costs and benefits of the policy between different social groups and countries.

4.2. Effective Climate Policies Must Include Explicit Equity-Related Targets

In their review of intranational climate policy outcomes, Markkanen and Anger-Kraavi (2019) point out that climate policies that explicitly target improving the health of vulnerable populations (such as policies to improve fuel emissions from public transport) have the most equitable outcome. However, in the absence of conscious planning, other climate change policies can have very inequitable health impacts. For instance, while large hydropower dams can help countries meet providing reliable, sustainable, and modern energy, they also often result in the relocation and resettlement of vulnerable populations. There is literature to suggest that in some countries where discrimination against ethnic or indigenous groups is institutionalized, these dams are routinely located in areas where these groups are concentrated (for example, Aiken and Leigh 2015). This discrimination and lack of sufficient compensation for these groups can result in mental and physiological health problems resulting from community breakdown. Without well-designed, equitable, and enforced benefit-sharing agreements between parties, environmental gains for some can lead to others being worse off (Schapper and Urban 2019).

Similarly, climate mitigation policies that implement green taxes, while beneficial for reducing overconsumption, can result in an increase in the cost of

energy-intensive goods and services (such as food and transport). The impacts of these price increases are felt more by the most impoverished populations. Transitions to renewable energy (in the absence of conscious re-skilling and re-employment) can result in loss of livelihood, especially in energy-exporting countries. If marginalized groups—women, low-income households, etc.—are excluded from new renewable energy projects, then the outcomes are likely to be inequitable. This restriction in participation can arise from high upfront costs or expensive educational requirements. These kinds of restrictions have been reported in forest protection initiatives, renewable energy projects, and biofuel production. However, if renewable energy projects are strategically situated in areas with low employment, they can help reduce economic inequalities.

Climate mitigation policies can also result in ethnic or gender inequality. Forest conservation projects that do not acknowledge communal land rights or energy policies that do not actively seek out women's participation are inequitable. However, allowing smaller communities access to energy by setting up small-scale biofuel production in the community can decrease energy inequality between communities.

Markkanen and Anger-Kraavi (2019) conclude that the climate policies that are the least inequitable in their outcome are the ones that explicitly seek to be inclusionary in their design and implementation and that take a pro-poor approach. Consulting with all groups present in local communities, using a local workforce, reallocating funds towards the development of lower-income communities, choosing solutions that would maximize the benefits for marginalized communities, along with putting in place adequate government support to assist those impacted by climate policies, are all ways in which intranational climate policy can be made more equitable.

5. Conclusions

Both the environmental justice and climate equity frameworks point to systemic, reinforcing mechanisms that link inequality to environmental impacts. The climate equity framework demonstrates the connection between vertical inequality and greenhouse gas emissions. This inequality insulates elites from the worst climate impacts, while climate action threatens those elites' wealth, making them averse to climate action. On the other hand, the environmental justice framework shows how horizontal inequalities disproportionately expose certain marginalized groups to environmental risks, many of whom lack the financial resources or political capacity to advocate for stronger environmental policies.

SDG 10, the goal that is specific to reducing inequalities, does not explicitly connect environmental concerns to inequality. However, environmental inequalities impact several SDGs, as summarized in Table 1. There are also interactions between SDGs that can affect one another. The implication we draw from this chapter is that whether interactions from other SDGs onto SDG 10 is negative or positive depends crucially on how sustainability solutions are designed and implemented. For example, when seen through a distributional lens, in the absence of conscious planning, solutions to accomplish SDG 3 (good health and wellbeing), SDG 7 (affordable and clean energy), SDG 8 (decent work and economic growth), and SDG 13 (climate action) may have a regressive impact on the targets of SDG 1 (no poverty), SDG 5 (gender equality) and SDG 10 (reduced inequalities) depending on the way solutions are executed. Systematic approaches to analyzing SDG interactions exist (for example, Pradhan et al. 2017; Nilsson et al. 2016) and can illuminate the relationship between various SDGs and the cascading nature of environmental inequalities.

Table 1. Examples of how environmental inequalities may impede select SDGs.

SDG	Examples of Environmental Inequality
SDG 1: No poverty	<p>Poor, minority, and disenfranchised communities face heightened risk from contaminated air, water, soil, and climate threats. This complicates poverty reduction initiatives, as additional finances need to be directed towards reducing vulnerabilities to pollution and climate change, while ensuring that basic needs are met in a sustainable manner.</p>
SDG 2: Zero hunger	<p>Climate-change-driven extreme events (i.e., drought, floods), changes to rainfall and temperature patterns and increasing levels of pests and diseases threaten agricultural production. This affects food prices and food security, especially for the poor, and may push more than 100 million rural families into deeper levels of poverty.</p>
SDG 3: Good health and wellbeing	<p>Poor and marginalized people bear disproportionately higher health risks from environmental inequalities. This includes risk from exposure to harmful pollutants due to the siting of toxic facilities near low-income neighborhoods, air pollution-related respiratory illness from the combustion of dirty fuels for transport, cooking, or heating, mental health concerns related to climate anxiety and more. These health issues can translate into livelihood concerns and added cost burdens.</p>
SDG 4: Quality education	<p>Pollution is linked to poorer academic performance (Mohai et al. 2011). Climate change-related extreme weather events and rise in vector-borne diseases may impair a child's ability to attend school.</p>
SDG 5: Gender equality	<p>Women spend more time on unpaid labor (i.e., cooking, cleaning, childcare), therefore in households that use dirty cooking fuels, women are twice as likely to get chronic obstructive pulmonary disease from indoor air pollution. Girls are more likely to be removed from school to help family during hardships, such as agricultural production challenges due to climate change. Issues related to reproductive justice often overlap with environmental justice. For example, pollutant emissions from toxic facilities near residential neighborhoods leads to serious health and reproductive hazards including breast cancer, birth defects, spontaneous abortions, and infertility.</p>

Table 1. Cont.

SDG	Examples of Environmental Inequality
SDG 7: Affordable and clean energy	<p>Low-income households do not have the financial resources to adapt to climate change and shoulder higher costs increasing energy requirements due to climate change, including air conditioning for heatwaves or space heating for extremely cold temperatures. Inhabitants of households that use dirty cooking fuels such as wood, dung, crop wastes, charcoal, or kerosene, are more likely to get chronic obstructive pulmonary disease from indoor air pollution compared to those using clean cooking fuels. Many Indigenous communities continue to face the exploitation of natural resources and the abuse of land rights by energy and mining companies, including for renewable energy projects; while large hydropower dams can help countries meet providing reliable, sustainable, and modern energy, they also often result in the relocation and resettlement of vulnerable populations.</p>
SDG 8: Economic growth	<p>For economic benefit, dirty industrial or waste facilities are sited in areas where land is inexpensive, which also happen to be where low-income families and other marginalized groups most likely reside. Not only do economics play into the siting of facilities, but economic growth also depends on natural resources. When natural resources are scarce and only available on Indigenous lands, resource needs may be chosen over the needs of Indigenous communities leading to conflict. Instead of finding synergistic solutions that meet economic demands and prevent environmental degradation, the two factors are often posed as “trade-offs”, where one can only thrive at the expense of the other.</p>
SDG 10: Reduced inequalities	<p>The systemic relationships between development and environment, especially on inequalities related to environmental resources and impacts (or “environmental inequalities”), need to be addressed to achieve the distributive, non-discriminatory justice that SDG 10 strives for.</p>
SDG 12: Responsible consumption and production	<p>A study by Dorninger et al. (2020) showed that between 1990 and 2015, large portions of materials, energy, land, and labor were taken from developing countries to produce goods and services for high-income countries. This leaves developing countries to manage the ecological impacts of resource use by the Global North, and less resources to meet their own needs.</p>
SDG 15: Life on land	

Table 1. *Cont.*

SDG	Examples of Environmental Inequality
SDG 13: Climate action	<p>Wealthy countries/individuals are responsible for depleting a large share of the global carbon budget and are not lowering their emissions fast enough. The resulting climate change affects developing countries and marginalized communities to a much higher degree. Extreme weather events present challenges for individuals with limited mobility when evacuations are necessary. Powerful countries and national elites can insulate themselves from the negative effects of climate change and delay taking climate action.</p>
SDG 16: Peace, justice and strong institutions	<p>Indigenous communities continue to face the exploitation of natural resources and the abuse of land rights. In general, as many as 25 people killed per year for defending their land rights and livelihoods.</p>
SDG 17: Partnerships for the goals	<p>Wealthy countries need to accept their responsibility for their role in rising carbon emissions and the resource extraction and related ecological damage in developing countries. This involves providing financial resources, technological assistance, and other forms of support, to poorer countries to address environmental issues. It is also important to recognize the underlying social structures and power balance between countries and within a country that weakens environmental and climate action. There is overrepresentation of the elite and underrepresentation of the marginalized in decision-making processes. Developing countries and marginalized groups need to be better represented in environmental policymaking and be given leadership roles within international and national governance institutions to ensure financial and other resources are allocated to where they are needed most.</p>

Inequalities arise for a variety of historically contingent reasons, and once in place, they tend to erode social trust, which is a prerequisite for collective action. Furthermore, there is evidence that inequalities are increasing across the world (for example, Piketty 2020). More is needed to raise awareness on the future implications of increasing inequalities and the impacts on the environment, and to ensure that SDGs do not further those environmental inequalities. Effective solutions that address the SDGs will require targeted attention to inequalities and an appreciation of the underlying, systemic processes that reinforce and perpetuate them. To develop these solutions, an inclusive decision-making process must be used whereby lower-income countries and typically marginalized populations are well represented. Systematic assessments of distributional impacts of potential solutions and policies can identify issues and potential vulnerabilities, and can assist in developing context-specific solutions that minimize inequality and maximize societal benefits. Given the greater awareness around environmental inequalities and their impact on the SDGs, and the development of processes to address them, there is greater likelihood that the goals and targets set out to be achieved can be met.

Author Contributions: Conceptualization, E.G., A.N., S.K. and E.K.-B.; methodology, E.G., A.N., S.K. and E.K.-B.; investigation, E.G., A.N., S.K. and E.K.-B.; writing—original draft preparation, E.G., A.N., S.K. and E.K.-B.; writing—review and editing, E.G., A.N., S.K. and E.K.-B.; visualization, E.G.; supervision, E.G.; project administration, E.G. All authors have read and agreed to the published version of the manuscript.

Funding: This research received no external funding.

Acknowledgments: We would like to thank the anonymous reviewers whose comments/suggestions helped improve and clarify this manuscript. We would also like to acknowledge with thanks exchanges with Sonja Klinsky (Arizona State University) reflected in Section 2.

Conflicts of Interest: The authors declare no conflict of interest.

References

- Aiken, S. Robert, and Colin H. Leigh. 2015. Dams and Indigenous Peoples in Malaysia: Development, Displacement and Resettlement. *Geografiska Annaler: Series B, Human Geography* 97: 69–93. [CrossRef]
- Basnett, Bimbi S., Rodd Myers, and Marlène Elias. 2019. SDG 10: Reduced Inequalities—An Environmental Justice Perspective on Implications for Forests and People. In *Sustainable Development Goals: Their Impacts on Forests and People*, 1st ed. Cambridge: Cambridge University Press, Available online: <https://www.cambridge.org/core/product/identifier/9781108765015/type/book> (accessed on 6 July 2020).

- Benevolenza, Mia A., and LeaAnne DeRigne. 2019. The Impact of Climate Change and Natural Disasters on Vulnerable Populations: A Systematic Review of Literature. *Journal of Human Behavior in the Social Environment* 29: 266–81. [CrossRef]
- Boyce, James K., Andrew R. Klemer, Paul H. Templet, and Cleve E. Willis. 1999. Power Distribution, the Environment, and Public Health: A State-Level Analysis. *Ecological Economics* 29: 127–40. [CrossRef]
- Boyce, James. 2008. Is Inequality Bad for the Environment? *Research in Social Problems and Public Policy* 15: 267–88.
- Brulle, Robert J. 2018. The Climate Lobby: A Sectoral Analysis of Lobbying Spending on Climate Change in the USA, 2000 to 2016. *Climatic Change* 149: 289–303. [CrossRef]
- Büchs, Milena, Nicholas Bardsley, and Sebastian Duwe. 2011. Who Bears the Brunt? Distributional Effects of Climate Change Mitigation Policies. *Critical Social Policy* 31: 285–307. [CrossRef]
- Butt, Nathalie, Frances Lambrick, Mary Menton, and Anna Renwick. 2019. The Supply Chain of Violence. *Nature Sustainability* 2: 742–47. [CrossRef]
- Caballero, Paula. 2019. The SDGs: Changing How Development Is Understood. *Global Policy* 10: 138–40. [CrossRef]
- Castañeda, Andrés, Dung Doan, David Newhouse, Minh Cong Nguyen, Hiroki Uematsu, and João Pedro Azevedo. 2018. A New Profile of the Global Poor. *World Development* 101: 250–67. [CrossRef]
- Chancel, Lucas, and Thomas Piketty. 2015. Carbon and Inequality: From Kyoto to Paris. Unpublished. [CrossRef]
- Chen, Tze-Ming, Ware G. Kuschner, Janaki Gokhale, and Scott Shofer. 2007. Outdoor Air Pollution: Nitrogen Dioxide, Sulfur Dioxide, and Carbon Monoxide Health Effects. *The American Journal of the Medical Sciences* 333: 249–56. [CrossRef] [PubMed]
- Domínguez, Lara, and Colin Luoma. 2020. Decolonising Conservation Policy: How Colonial Land and Conservation Ideologies Persist and Perpetuate Indigenous Injustices at the Expense of the Environment. *Land* 9: 65. [CrossRef]
- Dorning, Christian, Alf Hornborg, David J. Abson, Henrik von Wehrden, Anke Schaffartzik, Stefan Giljum, John-Oliver Engler, Robert L. Feller, Klaus Hubacek, and Hanspeter Wieland. 2020. Global Patterns of Ecologically Unequal Exchange: Implications for Sustainability in the 21st Century. *Ecological Economics* 179: 106824. [CrossRef]
- Dutta, Swarup, Sukanta Behera, and Ashok Bharti. 2015. Access to Drinking Water by Scheduled Castes in Rural India: Some Key Issues and Challenges. *Indian Journal of Human Development* 9: 115–32. [CrossRef]
- Ekins, Paul, and Simon Dresner. 2004. *Green Taxes and Charges: Reducing Their Impact on Low-Income Households*. York: Joseph Rowntree Foundation.

- FAO, IFAD, WFP, WHO, and UNICEF. 2018. *The State of Food Insecurity in the World 2018. Building Climate Resilience for Food Security and Nutrition*. Rome: FAO, Available online: <http://www.fao.org/docrep/018/i3434e/i3434e.pdf> (accessed on 29 October 2020).
- Fleurbaey, Marc, Sivan Kartha, Simon Bolwig, Yoke L. Chee, Ying Chen, Esteve Corbera, Franck Lecocq, Wolfgang Lutz, Maria S. Muylaert, Richard B. Norgaard, and et al. 2014. *Climate Change 2014 Mitigation of Climate Change: Working Group III Contribution to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change*. Cambridge: Cambridge University Press. [CrossRef]
- Foa, Roberto. 2009. *Social And Governance Dimensions Of Climate Change: Implications For Policy*. Policy Research Working Papers. Washington, DC: The World Bank. [CrossRef]
- Fukuda-Parr, Sakiko. 2019. Keeping out Extreme Inequality from the SDG Agenda—The Politics of Indicators. *Global Policy* 10: 61–69. [CrossRef]
- Grear, Anna. 2014. Towards ‘Climate Justice’? A Critical Reflection on Legal Subjectivity and Climate Injustice: Warning Signals, Patterned Hierarchies, Directions for Future Law and Policy. In *Choosing a Future*. Edited by Anna Grear and Conor Gearty. Cheltenham: Edward Elgar Publishing, pp. 103–33. [CrossRef]
- Green 2.0. 2021. 2020 NGO & Foundation Transparency Report Card. Available online: https://diversegreen.org/wp-content/uploads/2021/01/green-2.0-2020-transparency-report-card-2_compressed.pdf (accessed on 4 March 2021).
- Grossman, Gene, and Alan Krueger. 1991. *Environmental Impacts of a North American Free Trade Agreement*. W3914. Cambridge: National Bureau of Economic Research. [CrossRef]
- Holifield, Ryan. 2001. Defining Environmental Justice and Environmental Racism. *Urban Geography* 22: 78–90. [CrossRef]
- Holland, Tim G., Garry D. Peterson, and Andrew Gonzalez. 2009. A Cross-National Analysis of How Economic Inequality Predicts Biodiversity Loss. *Conservation Biology* 23: 1304–13. [CrossRef]
- Huber, Robert A., Michael L. Wicki, and Thomas Bernauer. 2020. Public Support for Environmental Policy Depends on Beliefs Concerning Effectiveness, Intrusiveness, and Fairness. *Environmental Politics* 29: 649–73. [CrossRef]
- IPCC, Valerie Masson-Delmotte, Panmao Zhai, Hans-Otto Pörtner, Debra Roberts, James Skea, Priyadarshi Shukla, Anna Pirani, Wilfran Moufouma-Okia, Clotilde Péan, Roz Pidcock, and et al. 2018. Global Warming of 1.5 °C. An IPCC Special Report on the Impacts of Global Warming of 1.5 °C above Pre-Industrial Levels and Related Global Greenhouse Gas Emission Pathways, in the Context of Strengthening the Global Response to the Threat of Climate Change, Sustainable Development, and Efforts to Eradicate Poverty. Available online: <https://www.ipcc.ch/sr15/chapter/spm/> (accessed on 2 March 2021).
- Islam, Nazrul, and John Winkel. 2017. *Climate Change and Social Inequality*. New York: Department of Economic and Social Affairs of the United Nations Secretariat. [CrossRef]

- Jones, Charlotte, Donald W. Hine, and Anthony D. G. Marks. 2017. The Future Is Now: Reducing Psychological Distance to Increase Public Engagement with Climate Change. *Risk Analysis* 37: 331–41. [CrossRef]
- Jorgenson, Andrew, Juliet Schor, and Xiaorui Huang. 2017. Income Inequality and Carbon Emissions in the United States: A State-Level Analysis, 1997–2012. *Ecological Economics* 134: 40–48. [CrossRef]
- Kajiser, Anna, and Annica Kronsell. 2014. Climate Change through the Lens of Intersectionality. *Environmental Politics* 23: 417–33. [CrossRef]
- Kapto, Serge. 2019. Layers of Politics and Power Struggles in the SDG Indicators Process. *Global Policy* 10: 134–36. [CrossRef]
- Kartha, Sivan, Eric Kemp-Benedict, Emily Ghosh, Anisha Nazareth, and Tim Gore. 2020. The Carbon Inequality Era: An Assessment of the Global Distribution of Consumption Emissions among Individuals from 1990 to 2015 and Beyond. Stockholm Environment Institute and Oxfam. Available online: <https://www.sei.org/publications/the-carbon-inequality-era/> (accessed on 21 September 2020).
- Kartha, Sivan, Tom Athanasiou, and Paul Baer. 2012. The North–South Divide, Equity and Development—The Need for Trust-Building for Emergency Mobilisation. In *What Next: Climate, Development and Equity*. What Next. Uppsala: What Next Forum, vol. 3, pp. 47–71.
- Kartha, Sivan, Tom Athanasiou, Simon Caney, Elizabeth Cripps, Kate Dooley, Navroz K. Dubash, Teng Fei, Paul G. Harris, Christian Holz, Bård Lahn, and et al. 2018. Cascading Biases against Poorer Countries. *Nature Climate Change* 8: 348–49. [CrossRef]
- Kemp-Benedict, Eric, and Sivan Kartha. 2019. Environmental Financialization: What Could Go Wrong? *Real-World Economics Review* 87: 21.
- Kenner, Dario. 2020. Carbon Inequality: The Role of the Richest in Climate Change. Available online: <https://ebookcentral.proquest.com/lib/macewan-ebooks/detail.action?docID=5798364> (accessed on 6 October 2020).
- Kovats, R. Sari, and Shakoor Hajat. 2008. Heat Stress and Public Health: A Critical Review. *Annual Review of Public Health* 29: 41–55. [CrossRef]
- Lawson, Danielle F., Kathryn T. Stevenson, M. Nils Peterson, Sarah J. Carrier, Renee Strnad, and Erin Seekamp. 2018. Intergenerational Learning: Are Children Key in Spurring Climate Action? *Global Environmental Change* 53: 204–8. [CrossRef]
- Liu, Peiran R., and Adrian E. Raftery. 2021. Country-Based Rate of Emissions Reductions Should Increase by 80% beyond Nationally Determined Contributions to Meet the 2 °C Target. *Communications Earth & Environment* 2: 1–10. [CrossRef]
- Manisalidis, Ioannis, Elisavet Stavropoulou, Agathangelos Stavropoulos, and Eugenia Bezirtzoglou. 2020. Environmental and Health Impacts of Air Pollution: A Review. *Frontiers in Public Health* 8: 14. [CrossRef]

- Markkanen, Sanna, and Annela Anger-Kraavi. 2019. Social Impacts of Climate Change Mitigation Policies and Their Implications for Inequality. *Climate Policy* 19: 827–44. [CrossRef]
- McGurty, Eileen Maura. 1997. From NIMBY to Civil Rights: The Origins of the Environmental Justice Movement. *Environmental History* 2: 301–23. [CrossRef]
- Mohai, Paul, Byoung-Suk Kweon, Sangyun Lee, and Kerry Ard. 2011. Air Pollution Around Schools Is Linked To Poorer Student Health And Academic Performance. *Health Affairs* 30: 852–62. [CrossRef]
- Mohai, Paul, David Pellow, and J. Timmons Roberts. 2009. Environmental Justice. *Annual Review of Environment and Resources* 34: 405–30. [CrossRef]
- Muttitt, Greg, and Sivan Kartha. 2020. Equity, Climate Justice and Fossil Fuel Extraction: Principles for a Managed Phase Out. *Climate Policy* 20: 1024–42. [CrossRef]
- Nilsson, Måns, Dave Griggs, and Martin Visbeck. 2016. Policy: Map the Interactions between Sustainable Development Goals. *Nature* 534: 320–22. [CrossRef] [PubMed]
- Notre Dame Global Adaptation Initiative. 2021. ND-GAIN Country Index. Notre Dame Global Adaptation Initiative. Available online: <https://gain.nd.edu/our-work/country-index/> (accessed on 7 March 2021).
- OECD. 2018. Balancing Paid Work, Unpaid Work and Leisure. Available online: <https://www.oecd.org/gender/balancing-paid-work-unpaid-work-and-leisure.htm> (accessed on 30 October 2020).
- Oestreich, Joel E. 2018. SDG 10: Reduce Inequality in and among Countries. *Social Alternatives* 37: 34–41.
- Ostrom, Elinor. 2000. Collective Action and the Evolution of Social Norms. *The Journal of Economic Perspectives* 14: 137–58. [CrossRef]
- Otto, Ilona M., Kyoung Mi Kim, Nika Dubrovsky, and Wolfgang Lucht. 2019. Shift the Focus from the Super-Poor to the Super-Rich. *Nature Climate Change* 9: 82–84. [CrossRef]
- Oxfam International. 2020. Why the Majority of the World’s Poor Are Women. Oxfam International. January 20. Available online: <https://www.oxfam.org/en/why-majority-worlds-poor-are-women> (accessed on 30 October 2020).
- Parker, Alan, Zoltán Grossman, Edward Whitesell, Brett Stephenson, Terry Williams, Preston Hardison, Laural Ballow, Brad Burnham, Jill Bushnell, and Renée Klosterman. 2006. *Climate Change and Pacific Rim Indigenous Nations*. Olympia: Northwest Indian Applied Research Institute, Available online: https://www.terrain.org/articles/30/Climate_Change_Pacific_Rim_Indigenous_Nations_2006.pdf (accessed on 30 October 2020).
- Piketty, Thomas. 2020. *Capital and Ideology*. Translated by Arthur Goldhammer. Cambridge and London: Harvard University Press.
- Pradhan, Prajal, Luís Costa, Diego Rybski, Wolfgang Lucht, and Jürgen P. Kropp. 2017. A Systematic Study of Sustainable Development Goal (SDG) Interactions. *Earth’s Future* 5: 1169–79. [CrossRef]

- Schapper, Andrea, and Frauke Urban. 2019. Large Dams, Norms and Indigenous Peoples. *Development Policy Review*. [CrossRef]
- Schleicher, Judith, Marije Schaafsma, and Bhaskar Vira. 2018. Will the Sustainable Development Goals Address the Links between Poverty and the Natural Environment? *Current Opinion in Environmental Sustainability, Sustainability Science* 34: 43–47. [CrossRef]
- Schulz, Karsten A. 2017. Decolonizing Political Ecology: Ontology, Technology and ‘critical’ Enchantment. *Journal of Political Ecology* 24: 125–43. [CrossRef]
- Sealey-Huggins, Leon. 2017. ‘1.5 °C to Stay Alive’: Climate Change, Imperialism and Justice for the Caribbean. *Third World Quarterly* 38: 2444–63. [CrossRef]
- Serret, Ysé, and Nick Johnstone. 2006. Distributional Effects of Environmental Policy: Conclusions and Policy Implications. In *The Distributional Effects of Environmental Policy*. Edited by Ysé Serret and Nick Johnstone. Cheltenham: Edward Elgar Publishing, pp. 286–314.
- Steffen, Will, Katherine Richardson, Johan Rockstrom, Sarah E. Cornell, Ingo Fetzer, Elena M. Bennett, Reinette Biggs, Stephen R. Carpenter, Wim de Vries, Cynthia A. de Wit, and et al. 2015. Planetary Boundaries: Guiding Human Development on a Changing Planet. *Science* 347: 1259855. [CrossRef]
- Stern, David I. 2004. The Rise and Fall of the Environmental Kuznets Curve. *World Development* 32: 1419–39. [CrossRef]
- Steynor, Anna, Maximillian Leighton, Jessica Kavonic, Waarith Abrahams, Lapologang Magole, Suzgo Kaunda, and Chipso Plaxedes Mubaya. 2020. Learning from Climate Change Perceptions in Southern African Cities. *Climate Risk Management* 27: 100202. [CrossRef]
- Supran, Geoffrey, and Naomi Oreskes. 2017. Assessing ExxonMobil’s Climate Change Communications (1977–2014). *Environmental Research Letters* 12: 084019. [CrossRef]
- Temper, Leah, Sofia Avila, Daniela Del Bene, Jennifer Gobby, Nicolas Kosoy, Philippe Le Billon, Joan Martinez-Alier, Patricia Perkins, Brototi Roy, Arnim Scheidel, and et al. 2020. Movements Shaping Climate Futures: A Systematic Mapping of Protests against Fossil Fuel and Low-Carbon Energy Projects. *Environmental Research Letters* 15: 123004. [CrossRef]
- Tilly, Charles. 1999. *Durable Inequality*. Nachdr. Berkeley: University of California Press.
- UN Secretary General. 2012. *Terms of Reference for the High-Level Panel of Eminent Persons on the Post-2015 Development Agenda*. New York: United Nations, Available online: <https://www.un.org/sg/sites/www.un.org.sg/files/documents/management/ToRpost2015.pdf> (accessed on 26 October 2020).
- UNDP. 2014. Environmental Justice—Comparative Experiences in Legal Empowerment. Available online: https://www.undp.org/content/undp/en/home/librarypage/democratic-governance/access_to_justiceandruloflaw/environmental-justice---comparative-experiences.html (accessed on 1 November 2020).

- Walker, Gordon. 2010. Environmental Justice, Impact Assessment and the Politics of Knowledge: The Implications of Assessing the Social Distribution of Environmental Outcomes. *Environmental Impact Assessment Review* 30: 312–18. [CrossRef]
- WHO. 2018. Household Air Pollution and Health. Available online: <https://www.who.int/news-room/fact-sheets/detail/household-air-pollution-and-health> (accessed on 30 October 2020).
- Winkler, Harald, Niklas Höhne, Guy Cunliffe, Takeshi Kuramochi, Amanda April, and Maria Jose de Villafranca Casas. 2017. Countries Start to Explain How Their Climate Contributions Are Fair: More Rigour Needed. *International Environmental Agreements: Politics, Law and Economics*. [CrossRef]
- Wu, Judy, Gaelen Snell, and Hasina Samji. 2020. Climate Anxiety in Young People: A Call to Action. *The Lancet Planetary Health* 4: e435–e436. [CrossRef]
- Young, Oran R. 2013. Sugaring off: Enduring Insights from Long-Term Research on Environmental Governance. *International Environmental Agreements: Politics, Law and Economics* 13: 87–105. [CrossRef]

© 2023 by the author. Licensee MDPI, Basel, Switzerland. This article is an open access article distributed under the terms and conditions of the Creative Commons Attribution (CC BY) license (<http://creativecommons.org/licenses/by/4.0/>).

Liaison of Climate Change and Social Inequality

Antonia Kupfer

1. Introduction

Over the last few years, major parts of the Amazon Rainforest have burned. Millions of hectares have been deforested and Indigenous people have been exposed to existential threats. Extreme amounts of floods have covered East African countries, leaving deaths, arid fields, and homeless people in rural areas. Rising sea levels impede agriculture and housing in many areas of Asia, leaving people without income. All these catastrophes are effects of climate change. They impact farmers and women in the Global South the utmost.

Climate change contains, in a nutshell, fundamental relations of social inequality such as hierarchies between the Global North and Global South and between men and women. This means that climate change and social inequality are intertwined. In order to restrict climate change, social inequality needs to be diminished. Climate change is a product of capitalism. By capitalism, I refer to Marx's understanding of capital as "a specific societal, historically developed relation of production in which the worker is stamped instantly into valorization tool of the capital"¹ (Marx [1867] 1988, p. 532). From a Marxist perspective, which I will follow here, capitalist societies are unequal societies. Consequently, I will argue that a transition to reduced inequality entails overcoming capitalism. Following on from this would be a restriction of climate change, which humanity and Earth urgently need. Following Arruzza (2014) in her critique of a reductionist interpretation of Marx as dealing only with economic categories, her definition of capitalism in a Marxist approach means "a living totality of social relations. Among these, we also find power relations connected to gender, sexual orientation, race, nationality, and religion, and all are put into the service of the accumulation of capital and its reproduction, but often in varying, unpredictable, and contradictory ways" (Arruzza 2014, p. 9). Later, by referring to symbolic societal relations of nature and to a couple of socially created dualisms, as well as to relations between the Global South and Global North, I will pick up Arruzza's argument of

¹ Author's translation from German.

taking the totality of social relations into account. Thus, I will argue also for a change in society's symbolic relations to nature by questioning the dominating dualisms and material relations between world regions and nations as well as within nations. There are supporters of green capitalism and a Green New Deal, but I will argue that these suggestions fail, as they do not address the core cause of climate change, which is capitalism. Instead, proponents of a Green New Deal hold to the paradigm of economic growth that shall be realized through the invention and usage of new technologies. I will argue that degrowth would restrict climate change to a much greater extent.

This contribution aims at capturing climate change as a societal relation to violence. It is a societal relation because all members of a society are involved, although unequally, as some live at the expense of others. It is a relation of violence as it does not only create social inequalities, but ones which lead to physical and mental² injuries and deaths. This societal relation to violence extends beyond injuring human beings and includes the exploitation of non-human beings such as animals, plants, and nature³ in general. This exploitation occurs daily and materially, and it is based on a dualistic line of thought. This dualistic episteme has roots in northwestern male-dominated traditions. It neglects holistic views of the world common in many Indigenous communities, as for example, the Andean ones. In order to approach societies without violence and to decelerate climate change, socio-ecological transformations that transcend capitalism are required.

This paper starts with the core problem, which is capitalism, by lining out capitalism's destructive relationship with nature in Section 2. Then, in Section 3, I will explain in more detail how capitalism constitutes a basic hierarchy between the Global North and the Global South. In Section 4, I will highlight fundamental gender inequalities linked to capitalism, and the following Section 5 illustrates how these inequalities come together in climate change as a societal relation to violence. The final part of this chapter, Section 6, discusses the concept of degrowth as a social-ecological transformation aiming at climate justice.

² The destruction of livelihoods is an existential threat, and people who do not deny or suppress the realization of destruction struggle with anxieties.

³ By nature, I refer to biological, chemical, and physical processes both independent from and in constant exchange with human beings and highly affected by them.

2. Capitalism as a Destructive Social Relation with Nature

Different societies and economies have different relations with nature. Relations with nature always obtain a symbolic and a materialistic dimension. The ways societies conceptualize nature is an important symbolic structure and has repercussions on the material dimension. Capitalism emerged in northwestern societies during times of industrialization⁴, when the dominant world view was coined in the 16th century by seeing nature as an object that could be exploited (Merchant 1983). This perspective developed in parallel to the creation of other binaries: nature versus culture, body versus mind, and men versus women were among the dominant dualisms. Former conceptualizations in which, for example, men and women were not seen as two different categories, or where body and minds were connected, had disappeared. In addition to separating formerly related categories, dominant views imposed a hierarchy between the duos. In this way, a complex world was not just reduced to binary categories, but social inequalities between the two poles were constituted. The constitution of hierarchies enabled legitimization of domination and exploitation of the less valued category. One of these hierarchical binary categories was the separation of “nature” and “society” according to Claudia von Werlhof (1988).⁵ Nature was conceptualized as “inputs” to economic processes. In capitalist societies, bodies, and especially women, were conceptualized as nature. Therefore, the economy could be carried out by exploiting so-called natural resources—by exploiting bodies via long working hours and exploiting women by using their reproductive systems without pay. Men’s labor was paid, but only to the extent they could keep themselves from being exploited further. Additionally, colonies were denoted as nature, in which robbery and slavery constituted capitalist “primitive” accumulation (von Werlhof 1988, p. 106). Binary thinking also manifested in relating the various upper categories to each other, as well as the lower-classified categories, so that an accumulation of the “positive” and the “negative” was created: culture, mind, and men were seen as deeply interconnected, and nature, body, and women were considered the opposite. Thus, a dynamic of reinforcement of dualistic categories occurred. These binary categories were transmitted to other social areas

⁴ I am not following Wallerstein here who dates start of capitalism much earlier in times of colonization.

⁵ Jason Moore (2015) also asserts the binary between nature and society as a precondition for capital accumulation. He suggests to end the Cartesian division and see capitalism not outside nature but “as a project and process within the web of life” (p. 30). However, as Stache (2017) criticizes, in Moore’s perspective, nature loses its independence, and destruction of nature by capitalism is interpreted as a new mode of capitalism.

such as the sciences and politics. Following von Werlhof (1988), this separation led to a suppression of nature and a strict division of labor in science, supporting hierarchization in the symbolic sphere as well. With this, they consolidated a hegemonic power of dualisms in societies. In her reply to Walby's critique of feminist standpoint epistemologies, Harding (2001) offers insights into how (eco)feminist philosophy reveals the ideological structure for exploitative growth. Thus, Harding's insights extend von Werlhof's critique. According to Harding, this occurs in five ways: first, feminist standpoint epistemologies "argue that knowledge and power are internally linked" (ibid., p. 515). This implies that

any body of systematic knowledge is always internally linked to a distinctive body of systematic ignorance. [...] For example, assumptions that nature was a cornucopia, endlessly capable of serving human desires, permitted scientific questions that produced important collections of systematic knowledge but precluded asking the kinds of questions environmentalists ask today, thereby generating and maintaining vast bodies of environmental ignorance through the centuries (ibid., p. 516).

A second way in which (eco)feminist standpoint epistemology reveals ideological structure for exploitative growth is their interest "in how such knowledge [knowledge of oppressed groups] can be used to identify otherwise obscured features of dominant institutions, their cultures, and their practices" (ibid., p. 517). A third way consists of expanding "the competence of scientific methods so that researchers can detect the values and interests shared over entire social communities or even generations of them—androcentrism, Eurocentrism, race or class values and interests, as well as prodemocratic" (Harding 1991, 1998a cited in Harding 2001, p. 518). A fourth way consists of trying "to substitute feminist values and interests not for value-neutral criteria but for those criteria or aspects of them that are androcentric and antidemocratic and that block the growth of knowledge" (ibid., p. 520), for example, the knowledge that economic growth relies on exploitation of nature. A fifth way consists of "rational decision making" (ibid., p. 523) by trying "to gather all the information and criticisms we can, we weigh these carefully, and we keep on gathering and evaluating as we go along" (ibid., p. 523) or, according to the motto of the Zapatistas, "Preguntando Caminamos". These five ways of (eco)feminist standpoint epistemologies contribute fruitfully to the "epistemological crisis of the modern West" (ibid., p. 523) and reveal capitalism as having a destructive social relationship with nature. In explicit ecofeminist philosophies such as Vandana Shiva (1989), feminist standpoint epistemology is reflected and carried out by arguing that knowledge of women from the Global South is to be preferred to that of Western

scientists as the women obtain (greater) access to empirical data and experiences that matter for ecology.

From the more general feminist epistemology and critique of scientific theory, I turn now to specific Marxist arguments for the classification of capitalism as having a destructive social relationship with nature in chronological order. Marx himself described in the first volume of *Capital* (Marx [1867] 1988) how closely related the process of industrialization was with using natural energies such as wind power (metabolism) and describes this close relation by referring to machinery. His interest in machinery is the question of the production of surplus value, which is taken by capitalists from workers whereby the social relation of inequality of two main classes is constituted. A second crucial link between capitalism and nature is the method of production, which is geared toward growth. Capitalism is geared to accumulate capital, enabling growth, which, in turn, enables further capital accumulation. In capitalist societies, companies depend on permanent growth in order to be able to compete with others and avoid being bought by other companies or going bankrupt. Permanent growth also depends on an increase in energy for production. In their chapter on the so-called original accumulation, Marx explains: “the so-called original accumulation is therefore nothing else as the historical process of divorce of producer and means of production”⁶ (Marx [1867] 1988, p. 742). The socio-economic inequality of the capitalist society has emerged from the former social and economic inequality of the feudal society by ending serfage (*Leibeigenschaft*), so workers no longer belonged to the means of production themselves but still did not own the means of production themselves. Thus, this socio-economic inequality is the fundamental condition for the reproduction of capitalism on a permanently expanding stepladder⁷. One of the major representatives of a Marxian theorization of the human–nature relationship is John Bellamy Foster (1999), who systematically revealed further important insights by classifying Marx’s theory of metabolic rift, a foundation for environmental sociology. In Forster’s reconstruction of Marx, it becomes clear that Marx related critically to industrial agriculture, loss of forests, pollution of cities, and overpopulation, by arguing for sustainability and developing a vision for future societies in which human metabolism with nature needs to be governed rationally and under collective control with lowest expenditure of energy as possible (*ibid.*)—a vision being adopted by

⁶ Author’s translation from German.

⁷ Critically developed further by Luxemburg (Luxemburg [1913] 1923), who points to imperialism and colonialization, which I will later pick up by focusing on the unequal relations between the Global North and South.

social movements for climate justice, as explained below. Jason Moore (2000) ties in with Foster's analysis of Marx's study on the division of rural and urban areas of labor as a metabolic rift and extends the analysis by referring to Wallerstein in applying the Marxist concept of metabolism to a world-history perspective. Moore asserts that the global extension of capitalism in the 16th century also led to a reorganization of world ecology. He identifies five historical cycles of agro-ecological transformations. The last cycle started in 1950 and marks a shift from expansionist to intensification strategies. However, this last ecological exploitation remains self-limiting, which is why Moore suggests that present ecological contradictions are rooted in the "logic of capital itself" (ibid., p. 146), closing the circle to feminist epistemologists as lined out above.

More recently, Christian Stache (2017) analyzed in detail the relation between capitalism and nature in Marx's *Capital*. Following Stache, the overall aim in capitalist societies, i.e., to produce added value, impacts nature. Capital is related to nature in its direct exploitation and domination, using nature as available material; while productive forces develop, the destruction of nature is intensified and expanded, because nature is required for the production of an increasing number of products and means of production. Thus, nature is exploited in invasive and extensive ways. Despite nature's great ability to restore itself, there is a limit to its recovery and thus exploitation. Dietz and Wissen (2009) emphasize that what is currently perceived as natural limits are capitalistic, produced limits. Nevertheless, there are also biophysical limits as to how much society can produce before the ecological collapse. Elmar Altvater (2005) has identified this limit as one to capitalism itself. Athanasios Karathanassis (2015) differentiates between Fordist and post-Fordist relations to nature and asserts that in post-Fordist economies, information and communication technologies require much energy and produce large amounts of garbage (using nature as tap and sink). Neoliberal market-based governance enables an intensification and extension of the domination of nature.

3. Capitalism Creating a Hierarchy between the Global North and the Global South

In his book *The open veins of Latin America*, Eduardo Galeano ([1971] 1985) describes the exploitation of a whole continent from the 15th to the 20th century.

Latin America is the region of open veins. From discovery until today, *everything* has turned first into European and later into North-American capital and as such it accumulated into far-away centers of power and still accumulates. *Everything*: treasures of nature and the abilities of the

population, the methods of production and the class structure of every location have been determined from outside by incorporating into the global gear of capitalism⁸ (Galeano [1971] 1985, p. 11, italics in origin).

Not only Latin America but also Africa and Asia are world regions exploited for the purpose of capital accumulation. Corporations and states in the Global North have enriched themselves by extracting gold, silver, minerals, coal, oil, gas, and coltan, either directly or through production. Colonialism secured the military and political dominance of Europeans in many areas of the world. Later, economic dependencies of liberated countries in the Global South continued securing benefits for the Global North. Following the UN Global Resource Outlook (United Nations 2019), extraction of natural resources increased from 27 billion tons in 1970 to 92 billion tons in 2017. “Upper-middle income economies dominate extraction of resources” (ibid., pp. 7–8).

The extraction of resources is called “plunder” by Immanuel Wallerstein ([2004] 2005, p. 28). He offers with his world-systems perspective an analysis of the hierarchy between different regions of the world (see Moore 2000 above), and he calls core and periphery and semi-periphery that which includes and extends beyond plunder. His perspective is a relational one and an alternative to the modernization theory, which assumes a rather linear path to modernity, which all countries look for in the modernization model (Coccia 2018). The object of Wallerstein’s interest is the capitalist world economy. Its key characteristic ties in to Marx’s concept of capital accumulation, as outlined above.

For the constitution of the world regions, the division of labor is crucial. It refers to the degree of profitability of the production processes and constitutes interdependent regions. The hierarchy between core regions and peripheral regions is the constant flow of surplus value from the producers of peripheral products to the producers of core products. This is an unequal exchange. Semi-peripheral states have a near mix of core-like and peripheral products.

The role of each state is very different vis-à-vis productive processes depending on the mix of core-peripheral processes within it. The strong states, which contain a disproportionate share of core-like processes, tend to emphasize their role of protecting the quasi-monopolies of the core-like processes. The very weak states, which contain a disproportionate share of peripheral production processes, are usually unable to do very much to

⁸ Auhtor’s translation from German.

affect the axial division of labor, and in effect are largely forced to accept the lot that has been given them. The semi-peripheral states, which have a relatively even mix of production processes, find themselves in the most difficult situation. Under pressure from core states and putting pressure on peripheral states, their major concern is to keep themselves from slipping into the periphery and to do what they can to advance themselves toward the core (Wallerstein [2004] 2005, p. 29).

It becomes obvious that the status of each state depends on the status of the others. Thus, Wallerstein draws a dynamic picture of the hierarchy between states, the core ones mainly persisting to the Global North and the peripheral ones to the Global South. The main source of extracting surplus value is the low cost of salaries for workers in peripheral states of the Global South. This is added to by precarious working conditions, often occurring in informal sectors such as day-laborers and in sectors of construction and tourism. Wallerstein's concept of the unequal status of countries of the Global North and Global South is supported by empirical data from household panels of more than 100 countries that Branco Milanovic (2016) analyzed. Milanovic is interested in global inequality. He asserts that "the world is unequal in a very particular way: most of the inequality, when we break it down into inequality within countries and inequality among countries, is due to the latter" (ibid., p. 132). He terms this phenomenon "The Citizenship Premium". About two-thirds of people's lifetime income depends on where they are born (as 97% of people live in the country where they are born). However, Milanovic states that this figure has changed in the last decade and dropped to the ratio in 1870. This gives rise to questions such as whether inequality within states is on the ascent (as we can observe in the Global North), which implies a more egalitarian correlation between the Global North and Global South.

4. Capitalism Constituting Gender Hierarchies

In addition to the social inequality between the Global North and South, capitalism also constitutes a relation of social inequality between men and women. Both inequalities are crucial for climate change, as I will point out below. Of course, there are many differences within the social groups of women and men in terms of income and living circumstances (e.g., Connell 1995; Hochschild 2000). Nevertheless, capitalism is a societal formation based on a hierarchization between men and women. Additionally, prior to capitalism, social relations between genders were unequal. Thus, capitalism emerged in a patriarchal society and continues to devalue women, as Ursula Beer (1991) describes in her historical account of the constitution of

gender relations in Germany. The crucial feature of capitalist suppression of women is the assignment to work outside the production of capital (Beer 1991, p. 247). With this, women are excluded from what counts in capitalist societies: generating surplus value appropriated by corporation owners—a juridical process in which the prevailing legal situation patronizes women and denies them the status of a legal person accompanies this process of exclusion. The expulsion of women from the production of capital becomes possible by splitting off reproductive work from productive work and relegating it to a “separate, “private” sphere, where its social importance is obscured” (Fraser and Jaeggi 2018, p. 33). Beatrice Müller (2014) puts emphasis on the process of squeezing out by explaining that the abjection of care work is a constitutive mechanism of domination in patriarchal capitalism. The abjection of care work stretches from physical care for those in need of mental involvement with topics of vulnerability and death. Roswitha Scholz (2011) emphasizes that value abjection (Wert-Abspaltung) is not simply a sub-system but constitutive for capitalist society. She insists that the fundamental problem is not the unequal distribution of the surplus value, but the fact that in capitalism, people do not produce for immediate consumption but for the market. This affects both men and women, but women’s work, especially in the care sector, is often less gratified than men’s work. In order to prepare women and men for their different work in capitalist societies, they are socialized differently. According to Regina Becker-Schmidt (1987), modern women experience double socialization as they are prepared to work in reproduction and production. Since both areas are contradictory, women’s socialization is conflictive. They are supposed to be engaged and flexible in paid work, and at the same time, they are assigned the most childcare, which demands their time. Being employed part-time leads to low income and pensions—a gender pay gap through a lifetime. Women’s devaluation of work, even if it is paid, also manifests in relatively low salaried work carried out in non-profit areas such as health. Partly, there is an alliance between capitalists and male workers in devaluing women’s work, as the former are interested in profits, while the latter in less concurrence and unpaid care, as well as housework at home, as Brigitte Aulenbacher et al. (2015) point out. According to Aulenbacher (2020), the recent increase in interest in the care sector stems from its crisis and from its reorganization. Both enable an analysis of the care sector as an analysis of the transformation of capitalism.

5. Climate Change as Societal Relation of Violence

Thus, far, capitalism has been identified as a major cause of climate change by its destructive social relation to nature, by its hierarchy between the Global North

and South, in which large extractions of natural resources occur, and by its inherent gender hierarchy in which the abjection of care work comprehends the neglect of caring for nature. In this section, I want to classify climate change as a societal relation to violence. I will point to three aspects of this violence: First, the continuity of destruction within capitalistic logic, as can be illustrated with the trade of emission rights; second, violence as it materializes in forms of catastrophes such as hunger; and third, violence in dealing with the most affected, i.e., women from the Global South.

Trade with emission rights was conceptualized in the 1960s and since then has been adopted by several countries. It is a market-based measure of environmental protection created by governments. Its core idea is the right to pollute. A right to pollute is closely linked to the fundamental capitalist assumption of externalization, which has a destructive relationship with nature. Chertkovskaya and Paulsson (2021) subsume similar measures such as carbon trading and biodiversity offset schemes as legalizing corporate violence. Corporate violence “refers to violence motivated or caused by material interest, profit-seeking and economic expansion” (ibid., p. 407). It often manifests in indirect and collective, thus structural, forms. However, corporate violence can also be observed in direct repression, criminalization, and violent targeting of activists, as the authors describe with examples of conflicts on dams in India. Trade with emission rights relies on the insight that pollution should be restricted, for which governments introduce caps. However, this restriction should work within a capitalist system. This offers the possibility to create profits with negotiations of emission rights, as pointed out by Carbon Market Watch (2016). Large European companies have received large amounts of free emissions allowances and sold these on an international market. Trade with emission rights is, therefore, not a rejection of but a continuity of the violent relationship with nature and even an extremely tricky one, as they turn a measure intended to improve the climate into a tool of capitalization of formerly common goods such as the biosphere. Consequently, tipping points are created that obtain a dynamic power in themselves, independent from human activity. One of the tipping points is climate change, bringing with it catastrophes such as droughts, floods, and hunger, on which I will focus now.

These catastrophes are extremely violent in the way that they pose an immediate threat to the survival of humans, animals, and plants. In 2021, worldwide hunger increased, and climate variability and extremes have been identified, next to conflicts and economic slowdowns and downturns, as the major reasons for hunger (FAO 2021). According to Parry et al. (2009), the most affected are regions in the Global South,

mainly Africa and Asia. FAO (2021) shows the gender hierarchy in food insecurity being higher among women than among men globally and in every region.

Direct links between environmental pressures and gender-based violence are reported (Castañeda Camey et al. 2020). For example, armed forces have deployed violence against women to ensure large-scale infrastructure projects for extraction, which pressures local communities. Jeannette Cwienk (2020) reports on increased rape, domestic violence, and forced marriages as consequences of climate change.

Understanding climate change as a societal relation of violence urges the necessity to mitigate climate change. This calls for a socio-ecological transformation that extends beyond market-based tools. Therefore, I will turn to the concept of degrowth in the next section.

6. Conclusions: Degrowth as a Social-Ecological Transformations Aiming at Climate Justice

In this final section, I want to argue for an alternative to capitalism by referring to degrowth as a social-ecological transformation aiming at climate justice. My argumentation opposes The European Green Deal, as passed by the European Union in December 2019, as it explicitly adheres to the aim of economic growth. It believes in technologies' ability to enable climate-neutral production of energy, products, and thus, wealth. It aims at a new capitalist accumulation regime without fossil resources. According to Pasi Heikkurinen (2018), "economic growth is the main cause for ecological destruction" (p. 9). Consequently, Robra and Heikkurinen (2019) argue that sustainability cannot be based on further economic growth, and a counter-hegemonic discourse on capitalism is needed. An example of a counter-hegemonic discourse is the social movement toward degrowth. It offers insights into how an alternative to the current capitalist system causing climate change could manifest. By degrowth, I refer to a definition suggested by Kallis et al. (2018) stating,

Degrowth is a new term that signifies radical political and economic reorganization leading to drastically reduced resource and energy throughput. Related scholarship critiques the ideology behind the dogma of economic growth; contributes to documentation of negative material, social and ecological effects of growth; and assess alternatives to growth-based development (p. 1).

Thus, on a symbolic level of social relations toward nature, degrowth aims at sustainability. Together, symbolic and material levels of degrowth aim at climate justice, a social system of equality between humans around the globe. I will start

with a brief description of alternative relations toward nature and tie it in with a sketch of alternative relations between humans, drawing to the concept of commons as an important part of degrowth.

The idea of sustainability contains the recognition of human dependency on nature and the limits of nature. In contrast to a dualistic view on nature as something endless and exploitable, humans have to take care of nature, which includes not extracting that which cannot be regenerated. Following the insight of being part of nature, and not opposed to or independent of nature, enables, for example, a perspective on water as an articulation of life to be accessible for everybody, as claimed by Indigenous people. Here, a material level ties in immediately, because the recognition of Indigenous people could help to achieve a protective relationship with nature as their ways of living contain principles of reciprocity and coexistence with plants, animals, rivers, mountains, etc., which means equilibrium. Recognition of and material rights to Indigenous people would be one important element in a socio-ecological transformation for climate justice. Importantly, Eduardo Gudynas (2016) alerts us to an instrumental usage of Indigenous practices such as the *cha'lla*, a thanksgiving to Pachamama (Mother Earth) for legitimizing the extraction of oil, as carried out by the Bolivian president Evo Morales in 2015. Gudynas' analysis and critique of several left-wing governments in South America call for more in-depth studies. However, the Andean concept of *sumak kawsay*, of a good life, could serve as a normative point of reference for a way of living in solidarity, according to Brand et al. (2017), without the destruction of biophysical foundations of life. I suppose its main power lies in its counter-hegemonic content to the current mainstream of growth. Ecofeminists such as Maria Mies (1986) have tied into Indigenous perspectives and suggested as fundamental aim for future societies the creation and maintenance of life. Mies (1995) insisted on the interconnectivity of all life in her concept of subsistence. Her subsistence perspective does not mean that everybody should plant their own fruits and vegetables, but that the overarching aim of life, instead of capital, leads to economic activities that rely on constructive relations to nature and between people. Basic democracy is one cornerstone and dichotomist thinking between life-creating and product-creating activities should be abolished. Mies calls for a holistic paradigm in science and for the reintegration of culture and work, of mind and material. Ariel Salleh (Salleh [1997] 2017) coined the term "meta-industrial labour" as a strategic tool to address work inside and outside capitalism that "keeps 'metabolic value' or ecological integrity intact" (p. 306). According to Salleh (2015) "What the global North can learn from the global South—and from its own domestic periphery—is that meta- industrial labour is a tacit 'sustainability science', an economic episteme,

able to provision humans in reciprocity with nature without displacing costs on to others” (p. 53). Salleh brings together eco-socialist, feminist, and decolonial perspectives that aim at a socio-ecological transition of societies globally. A way forward to such societies are the creation of commons as Silvia Federici ([2013] 2019) suggests. By commons, she refers to new modes of production, shared property to be used by everyone, not for sale. According to Helfferich and Bollier (2015), “commons and degrowth are complementary to each other” (p. 105). Commons do not need economic growth and have the potential to undermine fundamental pillars of capitalism. Kostakis et al. (2016) point to the possibility to integrate global design and local manufacturing of commons. In an empirical study, Robra et al. (2020) found that if peer production is commons-based, it is a part of degrowth if organizations are explicitly oriented toward eco-sufficiency. A year later, Robra et al. (2021) added that “a strong awareness of the contradiction of CBPP [Commons-Based Peer-Production] in the capitalist system and the aim to shift societal structures helps to survive this contradiction and align with degrowth counter-hegemony simultaneously” (p. 363). Commons are social relations, practices, and work based on established regulations, which require community. The concept of commons develops as a collective subject. Environmental activists in Germany build on Federici’s concept of the commons in their concrete call for the socialization of energy producers, which they consider as relevant for ecology (Linda and Theresa 2019). They insist on the difference between socialization and nationalization, as the latter contains the danger that the aims of energy production for growth and profit maintain. In contrast, socialized energy production relies on democratic processes of negotiations. Here, the principle of subsidiarity could emphasize self-determination on local levels. Nevertheless, this should be embedded in an overarching negotiation on social and ecological aims and criteria of society. Socialization, too, is oriented toward an economy that serves to satisfy the needs of the majority and not raise profits for a small minority. Degrowth movements emphasize reproduction, the redistribution of income and capital, and regionally embedded economic circulations. According to Barbara Muraca (2019), degrowth refers to the feminist critique of the gross domestic product as a monetary indicator for growth and the mainstream belief that growth stabilizes societies, which the European Union shares. She points to the hegemonic creation of the meaning of growth in coining patterns of recognition and needs. Muraca follows Bloch (1976) in calling for a concrete utopia, imaging real possibilities as something already lying dormant in our world. Utopia creates an education of desire—motivating people to start with social-ecological transformations wherever they are. Commons-based peer production, meta-industrial labor, and recognition of and material rights to Indigenous

people are already steps of a radical political and economic reorganization toward climate justice. Therefore, to conclude, the paradigm of degrowth comprehends these steps, and with it, a decolonial and feminist socio-ecological transition aiming at coexistence with nature without destruction.

Funding: This research received no external funding.

Acknowledgments: My acknowledgments go to the reviewers and to all administrative and technical staff involved in this publication.

Conflicts of Interest: The author declares no conflict of interest.

References

- Altwater, Elmar. 2005. *Das Ende des Kapitalismus, wie wir ihn kennen. Eine radikale Kapitalismuskritik*. Münster: Verlag Westfälisches Dampfboot.
- Arruzza, Cinzia. 2014. Remarks on Gender. *International Viewpoint. Online Socialist Magazine*. November 11, pp. 1–15. Available online: <https://internationalviewpoint.org/spip.php?article3718> (accessed on 2 October 2021).
- Aulenbacher, Brigitte, Birgit Riegraf, and Susanne Völker. 2015. *Feministische Kapitalismuskritik*. Münster: Westfälisches Dampfboot.
- Aulenbacher, Brigitte. 2020. Auf neuer Stufe vergesellschaftet: Care und soziale Reproduktion im Gegenwartskapitalismus. In *Gespannte Arbeits- und Geschlechterverhältnisse im Marktkapitalismus*. Edited by Karina Becker, Kristina Binner and Fabienne Décieux. Wiesbaden: Springer, pp. 125–47.
- Becker-Schmidt, Regina. 1987. Die doppelte Vergesellschaftung–die doppelte Unterdrückung: Besonderheiten der Frauenforschung in den Sozialwissenschaften. In *Die andere Hälfte der Gesellschaft*. Edited by Lilo Unterkirchen and Ina Wagner. Österreichischer Soziologentag 1985. Wien: Verlag des österreichischen Gewerkschaftsbundes, pp. 10–25.
- Beer, Ursula. 1991. *Geschlecht, Struktur, Geschichte. Soziale Konstituierung des Geschlechterverhältnisses*. Frankfurt: Campus.
- Bloch, Ernst. 1976. *Das Prinzip Hoffnung*. Frankfurt: Suhrkamp.
- Brand, Ulrich, Markus Wissen, and Imperiale Lebensweise. 2017. *Zur Ausbeutung von Mensch und Natur im Globalen Kapitalismus*. München: Oekom verlag.
- Carbon Market Watch. 2016. Industry Windfall Profits from Europe’s Carbon Market 2008–2015. Available online: https://carbonmarketwatch.org/wp-content/uploads/2016/11/CMW-Industry-windfall-profits-from-Europe%E2%80%99s-carbon-market-2008-2015_web_final.pdf (accessed on 16 October 2021).

- Castañeda Camey, Itzá, Laura Sabater, Cate Owren, A. Emmett Boyer, and Jamie Wen. 2020. *Gender-Based Violence and Environment Linkages. The Violence of Inequality*. Gland: IUCN. Available online: <https://portals.iucn.org/library/sites/library/files/documents/2020-002-En.pdf> (accessed on 20 October 2021).
- Chertkovskaya, Ekaterina, and Alexander Paulsson. 2021. Countering corporate violence: Degrowth, ecosocialism and organizing beyond the destructive forces of capitalism. *Organization* 28: 405–25. [CrossRef]
- Coccia, Mario. 2018. World-System Theory. As sociopolitical approach to explain World economic development in a capitalistic economy. *Journal of Economics and Political Economy* 5: 459–65.
- Connell, Robert William. 1995. *Masculinities*. Cambridge: Polity Press.
- Cwienk, Jeannette. 2020. Climate Change Leads to More Violence against Women, Girls, DW 27.2.2020. Available online: <https://www.dw.com/en/women-climate-change-sexual-violence-iucn/a-52449269> (accessed on 20 October 2021).
- Dietz, Kristina, and Markus Wissen. 2009. Kapitalismus und “natürliche Grenzen”. Eine kritische Diskussion ökomarxistischer Zugänge zur ökologischen Krise. *PROKLA, Zeitschrift für Kritische Sozialwissenschaft* 39: 351–69. [CrossRef]
- FAO (Food and Agriculture Organization of the United Nations). 2021. The State of Food Security and Nutrition in the World 2021. Available online: <https://www.fao.org/3/cb4474en/online/cb4474en.html> (accessed on 20 October 2021).
- Federici, Silvia. 2019. *Re-Enchanting the World: Feminism and the Politics of the Commons*. Oakland: PM Press, pp. 85–98. First published in 2013.
- Foster, John Bellamy. 1999. Marx’s theory of metabolic rift: Classical foundations for environmental sociology. *American Journal of Sociology* 105: 366–405. [CrossRef]
- Fraser, Nancy, and Rahel Jaeggi. 2018. *Capitalism. A Conversation in Critical Theory*. Cambridge: Polity Press.
- Galeano, Eduardo. 1985. *Die Offenen Adern Lateinamerikas. Die Geschichte eines Kontinents*. Wuppertal: Hammer. First published in 1971.
- Gudynas, Eduardo. 2016. *Teología de los extractivismos: Introducción a Tabula Rasa No 24*. Bogotá: Universidad Colegio Mayor de Cundinamarca, pp. 11–23.
- Harding, Sandra. 2001. Comments on Walby’s “Against Epistemological Chasms: The Science Question in Feminism Revisited”: Can Democratic Values and Interests Ever Play a Rationally Justifiable Role in the Evaluation of Scientific Work? *Signs* 26: 511–25. [CrossRef]
- Heikkurinen, Pasi. 2018. Degrowth by means of technology? A treatise for an ethos of releasement. *Journal of Cleaner Production* 197: 1654–65. [CrossRef]
- Helferich, Silke, and David Bollier. 2015. Commons. In *Degrowth. A Vocabulary for a New Era*. Edited by Giacomo D’Alisa, Federico Demaria and Giorgos Kallis. New York and London: Routledge, pp. 103–6.

- Hochschild, Arlie Russel. 2000. Global Care Chains and Emotional Surplus Value. In *On the Edge: Living with Global Capitalism*. Edited by Will Hutton and Anthony Giddens. London: Jonathan Cape, pp. 130–46.
- Kallis, Giorgos, Vasilis Kostakis, Steffen Lange, Barbara Muraca, Susan Paulson, and Matthias Schmelzer. 2018. Research on Degrowth. *Annual Review of Environment and Resources* 43: 291–316. [CrossRef]
- Karathanassis, Athanasios. 2015. *Kapitalistische Naturverhältnisse. Ursachen von Naturzerstörung–Begründungen einer Postwachstumsökonomie*. Hamburg: VSA Verlag.
- Kostakis, Vasilis, Minas Liarokapis, Kostas Latoufis, and Michel Bauwens. 2016. The convergence of digital commons with local manufacturing from a degrowth perspective: Two illustrative cases. *Journal of Cleaner Production* 197: 1684–93. [CrossRef]
- Linda, and Theresa. 2019. Wider dem post-ideologischen Zeitalter. Keine sozial-ökologische Transformation ohne Vergesellschaftung. *arranca! Für eine interventionistische Linke* 53: 22–23.
- Luxemburg, Rosa. 1923. *Die Akkumulation des Kapitals*. Edited by Clara Zetkin and Adolf Warski. Vol. 6 of *Gesammelte Werke*. Berlin: Vereinigung Internationaler Verlag-Anstalten. First published in 1913.
- Marx, Karl. 1988. *Das Kapital. Kritik der politischen Ökonomie*. Erster Band. Berlin: Dietz Verlag. First published in 1867.
- Merchant, Carolyn. 1983. *The Death of Nature: Women, Technology and the Scientific Revolution*. San Francisco: Harper & Row.
- Mies, Maria. 1986. *Patriarchy and Accumulation on a World Scale*. London: Zed Books.
- Mies, Maria. 1995. Die Notwendigkeit einer neuen Vision: Die Subsistenzperspektive. In *Ökofeminismus. Beiträge zur Praxis und Theorie*. Edited by Maria Mies and Vandana Shiva. Zürich: Rotpunktverlag, pp. 388–420, [1993: Ecofeminism bei Zed Books, London, Mies revised most of her papers for the German edition].
- Milanovic, Branco. 2016. *Global Inequality. A New Approach for the Age of Globalization*. Cambridge, MA and London: The Belknap Press of Harvard University Press.
- Moore, Jason W. 2000. Environmental crisis and the metabolic rift in world-historical perspective. *Organization & Environment* 13: 123–57.
- Moore, Jason W. 2015. *Capitalism in the Web of Life. Ecology and the Accumulation of Capital*. London and New York: Verso.
- Müller, Beatrice. 2014. Wert-Abjektion als grundlegende Herrschaftsform des patriarchalen Kapitalismus—“Sorge(n)freie” Gesellschaft als Resultat. *PROKLA. Zeitschrift für kritische Sozialwissenschaft* 44: 31–52. [CrossRef]
- Muraca, Barbara. 2019. Degrowth: Eine radikale Alternative zum Neoliberalismus. In *Ökonomie und Gesellschaft. Transformationsgesellschaften. Zum Wandel gesellschaftlicher Naturverhältnisse*. Edited by Michaela Christ, Bernd Sommer and Klara Stumpf. Marburg: Metropolis-Verlag, pp. 143–61.

- Parry, Martin, Alex Evans, Mark W. Rosegrant, and Tim Wheeler. 2009. *Climate Change and Hunger. Responding to the Challenge*, published by World Food Programme, Rome. Available online: <http://ebrary-1ifpri-1org-1009831xf0066.erf.sbb.spk-berlin.de/utills/getfile/collection/p15738coll2/id/17143/filename/17144.pdf> (accessed on 20 October 2021).
- Robra, Ben, Alex Pazaitis, and Kostas Latoufis. 2021. Counter-hegemonic decision Premises in Commons-based Peer Production: A Degrowth Case Study. *tripleC* 19: 343–70. [CrossRef]
- Robra, Ben, and Pasi Heikkurinen. 2019. Degrowth and the Sustainable Development Goals. In *Decent Work and Economic Growth. Encyclopedia of the UN Sustainable Development Goals*. Edited by Walter Leal Filho, Anabela Azul, Luciana Brandli, Pinar Özuyar and Tony Wall. Cham: Springer. [CrossRef]
- Robra, Ben, Pasi Heikkurinen, and Iana Nesterova. 2020. Commons-based peer production for degrowth? The case for eco-sufficiency for economic organisations. *Sustainable Future* 2: 100035. [CrossRef]
- Salleh, Ariel. 2015. Ecofeminism and the Politics of Reproduction. In *Feministische Kapitalismuskritik. Einstiege in bedeutende Forschungsfelder*. Edited by Brigitte Aulenbacher, Birgit Riegraf and Susanne Völker. Münster: Westfälisches Dampfboot, pp. 46–53.
- Salleh, Ariel. 2017. *Ecofeminism as Politics. Nature, Marx and the Postmodern*, 2nd ed. London: Zed Books. First published in 1997.
- Scholz, Roswitha. 2011. *Das Geschlecht des Kapitalismus. Feministische Theorien und die postmoderne Metamorphose des Kapitals*. Bad Honnef: Horlemann Verlag.
- Shiva, Vandana. 1989. *Staying Alive: Women, Ecology and Development*. London: Zed.
- Stache, Christian. 2017. *Kapitalismus und Naturzerstörung. Zur kritischen Theorie des gesellschaftlichen Naturverhältnisses*. Berlin and Toronto: Budrich.
- United Nations. 2019. *Global Resource Outlook*. Available online: <https://www.resourcepanel.org/reports/global-resources> (accessed on 19 January 2022).
- von Werlhof, Claudia. 1988. *Women: The Last Colony*. Edited by Maria Mies, Veronika Bennholdt-Thomsen and Claudia von Werlhof. London: Zed Books.
- Wallerstein, Immanuel. 2005. *World-System Analysis. An Introduction*. Durham and London: Duke University Press. First published in 2004.

© 2023 by the author. Licensee MDPI, Basel, Switzerland. This article is an open access article distributed under the terms and conditions of the Creative Commons Attribution (CC BY) license (<http://creativecommons.org/licenses/by/4.0/>).

Capitalism, Money and Inequality in the World

Tim Di Muzio

1. Introduction

There is little doubt that, in the last hundred years or so, progress has been made in lifting more people out of extreme poverty (World Bank 2020). Yet, considerable economic inequalities both within and between nations persists and, as recent work has shown, if the rate of return on capital surpasses the rate of growth, inherited wealth will grow faster than earned wealth (Piketty 2014, p. 1). Together, these inequalities contribute to radically different life chances for people around the world. For some it means multiple mansions, private jets, hundred-foot yachts and access to life-saving technologies, while for a substantial portion of humanity it means a daily struggle just to survive or maintain a livelihood. However, why this radical inequality exists is not altogether clear and is much debated in the academic literature and popular press (Atkinson 2015; Di Muzio 2015a, 2015b; Milanovic 2016; Stiglitz 2016). Moreover, some view economic inequality as natural and beneficial since it is reasoned that the less well-off will want to emulate the wealthy and thus work harder to achieve their goals. However, is gross inequality rooted in human nature or is it the result of certain ways of organizing society and certain policy choices regarding the human economy? While it cannot possibly canvass the enormous literature on capitalism, money and inequality, this chapter will suggest that it is the latter by considering the important relationship between capitalism and money to explain the persistence of economic inequality in our world. The chapter also asks what can be done to lessen global economic inequalities once we gain a deeper appreciation of the relationship between capitalism, money and inequality. I will argue that it is too often forgotten that, while economic growth over the last three centuries has lifted many people out of extreme poverty, that capitalism is primarily an economic, monetary *and* accounting system whose very aim is to generate income and wealth inequality, not level the economic playing field. To explore this argument and examine potential solutions to lessening financial inequality, this chapter is divided into three main sections. In the first section, the chapter provides an explanation for the historical rise of capitalism, what constitutes capitalism as a specific politico-economic system and how economically unequal our world is today. In the second part of this chapter,

a theoretical analysis of how we might consider the relationship between capitalism, money and inequality is developed. In the final section, the chapter explores what is to be done about economic inequality from both mainstream and radical perspectives and argues that there are indeed some plausible public policy initiatives that would work towards achieving objective 10 of the Sustainable Development Goals (SDGs).

2. The Rise of Capitalism and Inequality

It is important to note that capitalists did not invent inequality or social hierarchies. In history, most complex civilizational orders were arranged hierarchically based upon a minority of rulers and a majority of ruled. To be sure, economic arrangements differed between political communities but once population size and the division of labour expanded, hierarchies started to appear. Not surprisingly, those at the apex of the social hierarchy enjoyed greater benefits than their counterparts doing the majority of the work at the base of the hierarchy. The glue that reproduced these social hierarchies consisted of the threat of violence or punishment, spectacle, ritual and tradition and religious cosmology. However, there is something unique about capitalist hierarchy (Nitzan and Bichler 2009, p. 271). Capitalism is a distinct socio-economic system that is primarily about the accumulation of money and, theoretically, anyone can become a capitalist. Compare this to earlier social formations where it was near impossible for a serf to become a lord or a peasant a king. The historical origins of capitalism are hotly debated but we can argue that there are two main views (for an overview of the literature too long to cite here, see Wood 2002). First, some scholars see capitalism as emerging first in the rural countryside of England. Here, it is argued, waves of enclosures from the thirteenth century onwards saw the peasantry dispossessed of their customary right to access land for subsistence. The abolition of these rights not only created a race of landless paupers but allowed lords of estates to transform their property into money-making enterprises largely based upon the wool trade. They did so by hiring capitalist tenant farmers, who in turn hired wage-labourers to work the land. Surveyors would estimate the monetary value of what the land could yield and leases were based on the expected future profit of the land. If these expectations were not met, the lease could be awarded to another capitalist tenant farmer. According to this view, the threat of losing a livelihood through the competitive tenure of a leasehold motivated capitalist tenant farmers to become ever more innovative and productive. This logic of productivity and improvement tied to the accumulation of money, it is reasoned, spilled over into the industrial production of commodities by exploited wage-workers directed by capitalist owners and their managers. To

summarize, in this view, capitalism emerged from a transformation in social property relations creating a class of capitalist owners of land and the means of production and a working class who had nothing to sell but their own labour-power (Polanyi 1959).

The second take on the emergence of capitalism does not deny that a transformation in social property relations needs to take place for the full development of capitalism, but objects that the desire to accumulate money originated in England or that capitalism is synonymous with industrialization. To be sure, a more geographically extensive capitalism certainly implies that people are dissociated from the means of production and subsistence so that they are forced to work for wages for survival and a livelihood. However, a transformation in property relations is viewed as far too restrictive and too one-sided in this second view. It is too restrictive in that it locates or 'freezes' the origins of capitalism in the English countryside rather than seeing it as emerging in inter-societal fashion (Anievas and Nişancıoğlu 2015, p. 24). It is too one-sided because it tends to conflate capitalism with the industrial revolution so that the only 'true' capitalism is about the production of commodities by workers who are not paid the full value of their labour-power during the production process (Di Muzio and Dow 2017, p. 7). There is no doubt that capitalism entails the production of goods and services for sale on the market, but if we were to take a bird's eye view of capitalism we would find that the act of capitalizing on income-generating assets is the primary ritual of capitalists (Nitzan and Bichler 2009, p. 270). This view does not conflate capitalism with industrial production and frees us to see that capitalists may invest in a portfolio of income-generating assets in order to seek a return on investment. For example, the Royal African Company (RAC founded in 1660 in England) was originally capitalized by its investors to find gold on the west coast of Africa and, when that enterprise proved a loss-making endeavour, the company turned to supplying African slaves to the 'new world' as the chief source of its profits (Scott 1903). Thus, investors in the RAC capitalized the power of the chartered company to enslave Africans and transport them abroad with the value of their investments contingent upon the profitability of this horrific enterprise. For the Marxist purist, this is not capitalism proper because it is not the industrial production of commodities for sale on the market to realize a profit. However, from the Braudelian view, investing for profit in the slave trade certainly constitutes capitalist practice. As Braudel cautioned:

On a world scale, we should avoid the over-simple image often presented of capitalism passing through various stages of growth, from trade to finance to industry—with the mature industrial phase seen as the only true capitalism. In the so-called merchant or commercial capitalism phase, as

in the so-called industrial phase, the essential characteristics of capitalism was its capacity to slip at a moment's notice from one form or sector to another, in times of crisis or of pronounced decline in profit rates (Braudel 1983, p. 433).

As this passage suggests, it may be more fruitful to understand capitalism from the point of view of ownership and capitalization rather than simple industrial production. Capitalists, who make more money from their investments or ownership claims over income-generating assets than they do from their labour, can have a diversified portfolio with different rates of return. What this suggests is that we focus on *differential accumulation* rather than accumulation per se (Nitzan and Bichler 2009). Capitalists endeavour to have the value of their capitalization of owned income-generating assets rise faster than an average rate of return such as the S&P 500. This is one of the major reasons for economic inequality: *differential ownership*.

First, most people in the world do not own any income-generating assets and second, not all capitalists own the same assets. Therefore, by logical extension, some will make greater returns than others depending on what they own. Here, we must recall that ownership implies exclusion and exclusion provides capitalists the power to accumulate differentially. To some, this may sound rather abstract, so let me provide a quick example. Suppose there are three people: the first person owns nothing other than their capacity to work, a second person owns 100 shares in Amazon but is still reliant on a wage for her livelihood and a third, Jeff Bezos, founded Amazon and is reported to own 54 million shares in the company. If our first individual is fortunate, they will be able to gain employment and earn an income from their labour and maybe one day start a business of their own. At the time of this writing, our second person will still have to work for a living but owns USD 309,500 worth of Amazon stock. Jeff Bezos' ownership claims, however, amount to USD 167 billion, making him the richest man on the planet. In this example we can begin to see how *differential ownership* claims to income-generating assets and thus exclusion (some cannot afford to own or purchase enough shares) can generate vast financial inequality.¹ From this point of view, we can proffer a clear analytical definition of capitalism:

Capitalism is a politico-economic system premised on the social property relations between hierarchically arranged owners and non-owners whereby

¹ This is largely what worried Piketty: if the rate of return on capital grows faster than the rate of GDP.

income-generating assets are differentially capitalized based on the institutional power of business and governments to generate income streams by shaping and reshaping the landscape of social reproduction through the market and price system. To be a capitalist, then, is to be an owner/investor in income-generating assets, with the difference between capitalists largely stemming from the monetary value of their capitalization or claims on future earnings (Di Muzio and Dow 2017, p. 9).

Thus, the distribution of ownership can tell us quite a bit about the inequality of wealth. However, just how unequal is our world by wealth? To find this out, we can turn to large financial institutions such as *Credit Suisse* and their annual wealth reports. To be considered ‘wealthy’ or what financial institutions call ‘high-net worth individuals’ is to have at least USD 1 million in investible assets. With this in mind, let us visualize the global distribution of wealth in Figure 1.

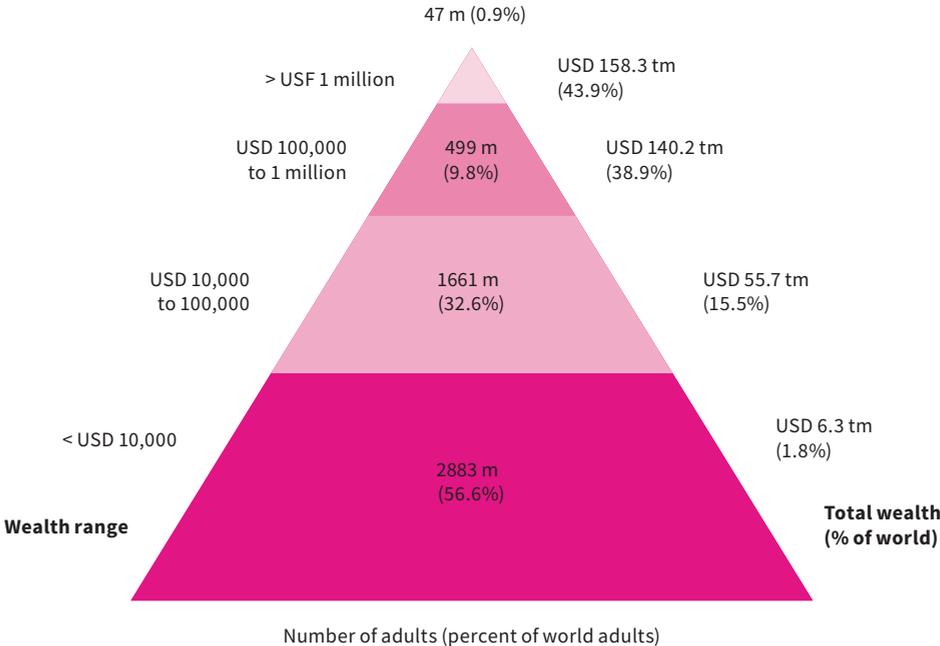


Figure 1. The inequality of global wealth. Source: Figure reprinted from (Credit Suisse 2019, p. 9).

As is clear from the empirical data, the inequality of wealth is stark: a tiny fraction of the adult population of the world—the top 10.7%—own about 83% of all

global wealth. The bottom 56.6% of humanity own a mere 1.8% of the world's wealth. However, while a focus on differential ownership under capitalism is important for understanding why the world is so unequal by wealth, it is also important to consider the relationship between capitalism, money and inequality. Only then, this chapter will argue, can we start to consider *some* policy options for reducing economic inequality, the tenth objective of the Sustainable Development Goals.

3. Capitalism, Money and Inequality

There is perhaps no more ubiquitous complaint among the majority of the world's population than the dearth of money. There never seems to be enough. Strangely, this is true for the very rich, who go on accumulating money even when they have enough to last multiple lifetimes, as it is for the poor struggling to make ends meet. If money is central to a capitalist economy and capitalism is largely about accumulating money, then why do we not know more about how new money is produced (Kraemer et al. 2020)?² Mainstream economists think of money as a 'neutral veil' and focus on the *roles* played by money such as a means of exchange for goods and services, a store of value for potential future use, and a unit of measure to price wages, the ownership of assets and liabilities, and goods and services (Ingham 2004, p. 8). These are all important roles that money plays in a capitalist economy but, from a more critical perspective, we could say that money is a representation of power and empowerment since it is primarily a claim on society and natural resources—the more you have, the more you can claim so long as there is not hyperinflation (Di Muzio and Robbins 2016, 2017, 2020). Poverty and inequality are relative and can mean many things to different people, but in an economy where people are reliant on the market for their subsistence, survival and 'the good life', poverty and inequality are largely about access to money and how much money people have to spend and save. This is why it is important to understand how new money is generated or produced in a capitalist economy.

There are only three theories on new money creation and one of them has to be correct (Di Muzio and Robbins 2017; McLeay et al. 2014; Ryan-Collins et al. 2014; Werner 2014). One theory explains that commercial banks have no special powers and that they merely take in money from savers and use a portion of this money to lend to willing borrowers. In this sense, they are merely intermediaries and do not

² See also the documentary 97% Owned. <https://www.youtube.com/watch?v=HLgwe63QyU4> (accessed on 29 April 2021).

create new money. The second theory suggests that banks create money through a fractional reserve system. In this version of money creation, savers deposit money in a commercial bank, the bank is legislated to hold a certain percentage of the money as a 'reserve' but can lend out the rest of the money. What both theories have in common is that *money has to be deposited or saved in a bank before the banks can begin lending*. We now know these two theories are wrong (for a detailed empirical and logical critique of these theories see, Di Muzio and Noble 2017). Rather than deposits creating new money as loans, *it is loans that create deposits*. This is the theory of credit creation and it argues that most new money entering the economy is the product of commercial banks making loans to willing borrowers—be they governments, businesses or individuals. This money enters the economy as both a credit (to the borrower) and a debt (owed back to the bank by the borrower with interest). It is important to note here that in most advanced capitalist economies, the majority of the money supply is digital (numbers in computers), not physical notes and coins. Notes and coins are typically produced on behalf of governments but only make up a tiny fraction of the money supply in advanced capitalist economies. What this means is that *credit creation* is extremely important for understanding the relationship between capitalism and economic inequality.

The first problem with the way new money is produced as loans to borrowers is that commercial banks typically issue new loans based on the income and assets of a borrower and their past experience servicing their debts (i.e., their credit rating). What this suggests is that people, businesses and governments have *unequal access* to credit and repay their loans at unequal interest rates. To put it simply, it is much easier for the already wealthy to borrow to expand their wealth than it is for their poorer counterparts. To provide but one example of how economic and financial inequality can be exacerbated within this system of money creation, consider the manager of a hedge fund. A hedge fund pools together the money of the very wealthy and uses riskier investment strategies to earn their clients a higher rate of return than an average benchmark return, such as the S&P 500. The hedge fund manager receives a certain percentage of the overall return and typically a bonus. Since hedge funds start off with an enormous amount of capital, they can borrow significant amounts of money from a commercial bank to bolster their returns. Consider the following example:

USD 1 billion (initial capital) with a rate of return of 10% = USD 100,000,000 million return.

USD 1 billion (initial capital) + USD 5 billion (borrowed) = USD 6 billion with a rate of return of 10% = USD 600,000,000 million return.

In this brief example we can start to see how the unequal access to credit can exacerbate inequality by making the already wealthy wealthier. However, what about making the poor poorer?

The second major problem is that, other than microcredit schemes which have an uneven record, the poorest on earth have virtually no access to credit, therefore making it more difficult to build any wealth as the statistics above attest to (Bateman et al. 2018). However, even in richer countries where the working class or the working poor may have some access to credit (e.g., a credit card, pay day loans, car loans) inequality can be exacerbated in at least two major ways. The first is that lenders may charge higher rates of interest for borrowers who are deemed riskier clients. What this means is that more of their income goes to service the interest of creditors rather than the principal of the debt leading to: (1) perpetual debt service and the inability to accumulate wealth and, (2) potential default and thus a lesser credit rating and greater difficulty for borrowing in future.

A third major problem is to consider the role of government. To recall, while governments do have purview over the production of notes and coins, most modern money is digital and created by commercial banks. What this means is that if a government wants to spend more than it takes in in taxes, fines, fees and the privatization of public assets, then it is compelled to borrow money. It can do this in two main ways: (1) from the capital markets by selling government securities at interest or (2) by taking on debt with the central bank. However, how can government borrowing contribute to the exacerbation of economic inequality? If governments continue to borrow and record yearly deficits that contribute to a mounting national debt, it can be subject to austerity measures by the IMF, World Bank and the US Treasury or can impose austerity across the public sector by its own sovereign right to govern. This can mean increasing unemployment in the public sector, the sale of publicly owned assets to private investors and cutbacks in social spending and programs that help the most vulnerable in a society. Since the poor and working classes are typically the chief beneficiaries of social spending, cutbacks can further intensify unequal outcomes and life chances among the lower rungs of the socio-economic hierarchy (Soederberg 2014). Indeed, there is direct link between the policies of neoliberal austerity and government debt that favours creditors over debtors and the rich over the poor (Di Muzio and Robbins 2016; George 1988). In sum, unequal access to credit on unequal terms, lack of access to credit and neoliberal austerity measures all serve to intensify economic and financial inequality both within and between nations. However, there are additional problems that can compound inequality that have to do with the way new money is created

and capitalist accounting. We must be aware of these issues before we can consider *some* proposals on what can be done to lessen economic inequality both within and between nations.

In addition to unequal access to credit on differential terms (i.e., lower or higher interest rates), there is the problem of how credit is created by commercial banks. When banks extend loans to willing borrowers, they do not create the interest, only the principal. What this means is that there is always more debt in our economies than there is the ability to repay the banks without going further into debt. This helps us to explain why on an aggregate level, with some exceptions, national, business and individual debt keeps mounting. If this sounds difficult to grasp, consider a simple example in Table 1.

Table 1. More money owed than in circulation.

Loan	Interest	Total New Money	Total Owed
USD 1000	5%	USD 1000	USD 1050
USD 1000	21%	USD 1000	USD 1210
USD 1000	10%	USD 1000	USD 1100
		USD 3000	USD 3360

Source: Table by author.

In this example, a commercial bank has made three loans each worth USD 1000. The interest rates differ as does the total money owed by each individual taking out the loan. However, the interesting thing to note is that only USD 3000 worth of new money has been created with a demand that the bank be repaid a total of USD 3360 from all three borrowers. The additional USD 360 owed as interest is not created by the commercial bank, thereby meaning there is always more debt in the economy than there is the ability to repay. Obviously, this is a simple example, but it can be logically extrapolated to a national or the global economy—there is never enough money to repay all the debts accumulated without generating new debts to service and potentially repay some previous loans. Thus, servicing existing debt can only come from two sources: (1) someone else’s principal, or (2) new money entering the economy as debt. But why is this important for understanding economic inequality? It is important because default and bankruptcy are built into capitalist money creation by commercial banks. In Table 2, I list how the failure to service debts or even repay them can have severe consequences for economic inequality.

Table 2. The debt trap.

Individuals/Families	Businesses	Governments
<ul style="list-style-type: none"> • Loss of access to future credit; • Access to future credit on stricter terms (i.e., higher interest rates); • Sale of personal items to earn money to service debt; • Loss of assets (i.e., a dwelling or land). 	<ul style="list-style-type: none"> • Loss of access to future credit; • Access to future credit on stricter terms (i.e., higher interest rates); • Sale of assets to repay creditors; • Loss of the business as a going concern. 	<ul style="list-style-type: none"> • Loss of access to future credit; • Access to future credit on stricter terms (i.e., higher interest rates); • Sale of public assets to service debt and ‘balance the books’; • Cuts in social spending and programs that benefit the most vulnerable..

Source: Table by author.

However, this way of creating new money is not the only mechanism that can exacerbate inequality, for we have to ask the question: why is there not enough money in our economies to circulate the goods and services produced? In other words, why must we go into debt for the economy to keep out of recession? The answer lies in capitalist accounting and the gap between salaries and wages and the price value of all goods and services outstanding or Gross Domestic Product. It is true that supply and demand for goods and services can have an impact on the price for those goods and services. For example, if a certain good is not selling very well, a company may want to cut the price. Similarly, if a certain good is selling very well, they may want to mark-up the price in future. However, while supply and demand are important for understanding price formation, we also have to understand that capitalism is a cost-plus-profit system whereby corporations determine the cost of their goods and services and then add a mark-up. Mark-ups of course vary, but the more powerful the corporation, the more likely they will be able to demand higher prices for their products. These mark-ups are set by industry convention or the profit targets of major firms and often both. However, the worry for us here is the cost-plus-profit nature of capitalist accounting and what this means for debt and purchasing power (Di Muzio and Robbins 2020). To pry open Pandora’s Box, let us imagine a simple but illustrative example of a firm that produces apple juice. Table 3 details its costs for 1000 jugs of apple juice.

Table 3. Capitalist cost-plus accounting.

Input	Cost
Apples	USD 200
Plastic Jugs	USD 100
Electricity	USD 100
Labour	USD 500
Total Cost	USD 900

Source: Table by author.

In this illustration, the total cost of producing 1000 jugs of apple juice is USD 900 or USD 0.90 cents per jug. Quite obviously, the company will not sell its jugs at cost or below cost and will add a mark-up to be profitable. Suppose the company wants a 100% mark-up on its product or USD 1.80 for each jug and this goes out on the market. The total value of the apple juice on the market would be USD 1800 (USD 1.80 × 1000). We can now start to see the problem.³ The cost of goods outstanding on the market is USD 1800 while the purchasing power created by the company (the labour component) is only USD 500. We can extrapolate this type of accounting to every capitalist firm and can now visualize that there is never enough purchasing power created by companies to clear all the goods and services produced. Figure 2 charts this fact for the largest economy in the world by GDP, the United States.

As is plain to see from Figure 2, there is a massive gap between purchasing power (wage and salary disbursements) and real GDP. The lack of purchasing power in the economy—what Keynesians call aggregate demand or what Marxists call demand backed by ability to pay—is embedded in capitalist accounting. Thus, the only way people, businesses and governments can spend more than what they have earned to keep the economy out of recession and depression is by going into debt to commercial banks. This very basic but overlooked fact can thus worsen inequality as per our discussion above as people are compelled to ‘live beyond their means’ by accessing credit, thereby compounding the perpetual debt problem.

Now that we have some knowledge of the relationship between capitalism, money and inequality, we can move on to exploring what is to be done about economic inequality from both mainstream and radical perspectives. In the next

³ Major C.H. Douglas was the first to notice this and advocate for a social dividend. He was the founder of the social credit movement (for an overview see Hutchinson and Burkitt 1997).

section, I will argue that there are indeed some plausible public policy initiatives that would work towards achieving objective 10 of the Sustainable Development Goals (SDGs). As this is a chapter focusing on money, inequality and capitalism, it is impossible to survey all proposals for reducing inequality (see Atkinson 2015).

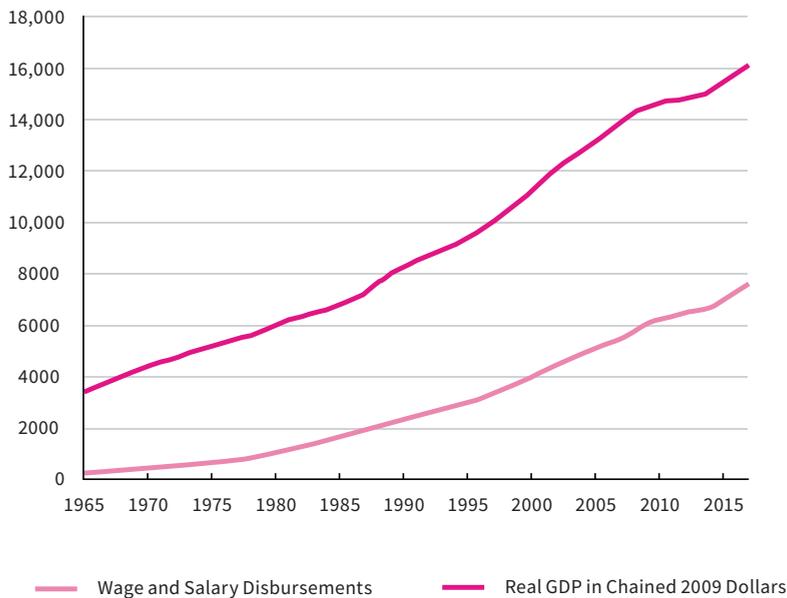


Figure 2. Wages and salaries vs. real GDP. Source: St. Louis Federal Reserve⁴.

4. What is to be Done?

Assuming that global capitalism will not disappear overnight and be replaced by a more humane and human-centred economy that overturns current monetary and fiscal arrangements, in this section we ask: what can be done from a public policy standpoint to lessen income and wealth inequality? There are of course many potential options, but I will consider four here—two mainstream and two more radical options.

The first mainstream option is to continue to deepen and extend neoliberal policies in the hope that our economic liberals are correct that capitalism will eventually lift all boats. In this vision of a future world, governments continue to encourage a positive investment climate for private enterprise and incentivize entrepreneurialism across the social spectrum by cutting red tape and implementing

business-friendly policies.⁵ In such a scenario, it is reasoned that businesses will help secure greater economic growth so that there will be more and more of the economic pie to divide. Put simply, the neoliberal capitalism option argues that to reduce economic inequality, governments have to enact policies that encourage the private sector to grow the economic pie (Hamilton 2004). There are three main problems with this option. First, neoliberal policies are largely associated with mounting government debt and do nothing to change current fiscal and monetary order. Second, economic growth on a finite planet of resources is a chimera; there are indeed limits to how much our economies can grow. For instance, we know that if everyone wanted to consume at the rate of an individual American, we would need about four planets worth of resources.⁶ Finally, we do have the option of waiting around for greater economic growth but there is real suffering in the world due to poverty and inequality now, and as Keynes famously said, ‘in the long run, we are all dead.’ Therefore, there are some good reasons for not waiting around and considering alternatives to neoliberalism.

The second mainstream option is some ramped up version of Keynesianism. To be sure, while many scholars have chronicled the turn away from Keynesianism to neoliberalism since the crises of the 1970s, it is doubtful how ‘neoliberalized’ many states have become. For example, the legacy of Keynes’ policy suggestions can still be seen as operational in many states through their welfare policies and automatic stabilizers (e.g., graduated income taxes, unemployment insurance and welfare). In other words, claims that the welfare states built up in the heartland of capitalism after World War Two have been completely dismantled do not ring entirely true. However, what would a ramped-up version of Keynesianism look like? It would largely be focused on alleviating poverty and inequality through the redistribution of income and wealth (Atkinson 2015; Piketty 2014; Stiglitz 2016). Taxes on higher incomes, wealth and inheritance could be increased to make the rich pay for a greater proportion of taxation. This would allow governments to redistribute more resources from the rich to the poor and alleviate, if not eliminate, egregious economic inequality. While laudable in some respects, there are some considerable problems with this approach to mitigating inequality. First, many of the very wealthy would be reluctant to pay higher taxes for a number of reasons, up to and including the fact that they feel they have earned their incomes and wealth.

⁵ <https://www.worldbank.org/en/topic/investment-climate> (accessed on 30 April 2021).

⁶ <https://www.bbc.com/news/magazine-33133712> (accessed on 8 October 2020).

Furthermore, depending on the political system, the wealthy can influence policy options through political donations and personal connections. Second, capital is more mobile today because of the greater liberalization of capital controls since the turn to neoliberalism. What this suggests is that higher taxes on income and wealth may lead to capital fleeing to more favourable political jurisdictions. This can cause a drain on a government's resources and may lead to a greater national debt should governments wish to spend more than they take in taxes, fines and fees. Third, the presence of offshore tax havens and correspondent banking make it more difficult for governments to capture a greater share of taxation from the wealthy. Indeed, it is already estimated that there is USD 32 trillion stowed away in offshore jurisdictions.⁷ To avoid capital flight and close offshore tax havens would require international cooperation of the highest order and, like battling climate change, is not impossible, but unlikely to happen in any immediate or concerted way. Finally, while there is some indication that Keynes knew that commercial banks created the vast majority of new money by making loans, he eventually turned from this position and advocated the bank as an intermediary model (Werner 2014, p. 16). What this means is that Keynes thought that savings are the ultimate source of loans and thus did not challenge the monetary and fiscal order. This is a significant oversight in Keynesian and much of post-Keynesian thought as it does not consider monetary reform and what this might mean for fiscal policy and the level of inequality (Wray 2015).⁸ This leads us to consider more radical options.

The first radical option is to introduce sovereign money and a social dividend (Huber 2017). We must recall that allowing banks to create the vast majority of new money as debt is not a natural phenomenon, but a historical creation born of class and power relations that date back to the creation of the Bank of England (Di Muzio and Robbins 2016, p. 38ff). As a historical creation, this means we can create a new institution that serves the public better than current arrangements, while there are various proposals of how to organize sovereign money; at its base, it denies the power of commercial banks to create new money through legislation and empowers a quasi-independent public bank to issue new money as interest free credit to governments, businesses and individuals. Such a public body would still

⁷ <https://www.reuters.com/article/us-offshore-wealth-idUSBRE86L03U20120722> (accessed on 8 October 2020).

⁸ Many neo-Keynesians do, however, take the position of what they laboriously call 'endogenous money'—a concept that does recognize that commercial banks create most new money (see Moore 1979).

have to monitor for inflationary tendencies through a consumer price index, but would have a number of benefits for alleviating the worse scourges of poverty and inequality and may even promote worthwhile social and environmental goals.

First, sovereign money would mean that governments do not have to borrow to spend on meaningful public projects that would be proposed during the election cycle. This would mean an end to deficits, the national debt and the bond market. Political parties vying for power will have to convince the democratic public of their spending priorities and, once elected, the quasi-independent public bank can issue interest-free credit to the treasury based on the government's political mandate and budget. This has the further benefit of lessening taxes on everybody, leaving more income and wealth in the pockets of the people. Taxes can still be used to incentivize beneficial economic activities (e.g., renewable energy, sustainable agriculture, public transport) and disincentivize those activities deemed socially harmful (e.g., smoking, sugary meals, excessive fossil fuel use). Thus, taxation would be used as a social policy tool, not as a primary revenue generator.

Second, national priorities should be set for how the quasi-independent public bank should issue credit to private businesses. This can include environmental and social goals such as the promotion of renewable energy, the production of sustainable and durable goods, increased regional resilience through the promotion of sustainable farming and agriculture, the creation of more public space for leisure and the provision of affordable public housing, to name just a few worthwhile goals. One chief benefit of business not going into debt is that the cost of interest will not be pushed on to consumers in the price of goods and services, thus reducing rather than inflating prices. Either way, crediting businesses should pass some sort of democratically decided test based on the relative merits of the projects for the public and future generations.

Third, if we keep the capitalist accounting system of cost-plus-profit, we know that there will not be enough purchasing power in the economy to meet the outstanding prices of goods and services on the market. To overcome this structural gap, the quasi-independent public bank should issue a social dividend to all citizens of a certain democratically decided age.⁹ The monetary value of this credit should be tied to the productivity of the economy and will mean that citizens will not have to take on debt or save for the future to realize a reasonable standard of living. People

⁹ This resembles Atkinson's sixth proposal for reducing inequality: <https://www.tony-atkinson.com/the-15-proposals-from-tony-atkinsons-inequality-what-can-be-done/> (accessed on 29 April 2021).

can and will still work for an income and be able to save money, but the social dividend will likely mean that they will work at more meaningful jobs and can have more leisure time. Moreover, less work might help alleviate environmental stress and will drastically lessen economic inequality and eliminate poverty. Indeed, at a democratically decided age, individuals will be permitted to legally retire should they wish and receive a state credit that keeps them at a respectable standard of living.

While the above is only a cursory discussion on the merits of sovereign money and a social dividend, we must at least consider some possible obstacles and drawbacks of such a sweeping reform. The first obstacle is that transitioning to a sovereign money system and social dividend will require significant public education since the present system has been naturalized and taken as self-evident for centuries (Kraemer et al. 2020). There is little doubt that a portion of the population may be sceptical or ill-informed of such an agenda. For instance, Switzerland held a referendum on sovereign money in 2018 and it failed due largely to a lack of public education and confusion over how the reforms would work¹⁰. The second obstacle is largely how to initiate and organize such a massive institutional reform, but doing so in a slow, measured and democratic manner may help the success of reforms. As for potential drawbacks, some may claim that undisciplined government spending may lead to inflation. However, political parties will still have to have a budget presented to the electorate, the quasi-independent public bank will monitor inflation and interest-free credit should reduce, rather than inflate prices. A second potential drawback is that some may argue that a social dividend may lead to universal laziness and the collapse of the national economy. This point of view assumes that the vast majority of people have little to no desire to work because it is a burden. This is a bold claim to make since it discounts the fact that, as social creatures imbued with creativity, work is indeed a part of our subjectivity and one of the avenues we can gain meaning from life, while some may choose not to work and live off the social dividend, it is unlikely that the vast majority would do so. Finally, it should be recognized that the government would still have the ability to tax the population and discourage people from not working at all (unless retired) or encourage people to work in certain (perhaps unsavoury jobs) by providing monetary or tax incentives. Either way, there is much to debate but continuing with the present monetary and

¹⁰ <https://www.positivemoney.eu/2018/07/lessons-switzerland-referendum-vollgeld-sovereign-money/> (accessed on 30 April 2021)

fiscal system combined with capitalist accounting threatens to prolong unnecessary poverty and inequality.

The final radical proposal for lessening inequality between nations rather than within them, is for high GDP governments to compel rich creditors to cancel or significantly reduce the foreign debts of the poorest countries. Where there is not endemic corruption, the elimination of foreign debts or their significant reduction would lessen the tax burden of developing countries. Such an act could provide developing country governments with more policy room to manoeuvre and support their poorest populations with necessary social programs such as in education and health, providing greater capabilities and opportunities for their citizens. How this can be accomplished can be debated but lessening foreign debt loads would certainly help provide developing governments with more resources. In addition to this, if high GDP governments are serious about reducing economic inequality, they should consider an internationally organized effort to provide foreign aid in their currencies to developing country businesses and governments. As in the public bank proposal mentioned above, aid can be targeted towards certain projects that are deemed publicly beneficial by the communities that will receive the aid. This can be accomplished through participatory budgeting with local and national community input.

As in the above proposals, there are also obstacles and drawbacks. The major obstacle would be convincing creditors to agree to a cancellation of debt, or a significant reduction in money owed. However, this might be incentivized in some way by rich governments providing tax reductions to creditors. Another obstacle might be how to organize and coordinate foreign aid, but this obstacle is not insurmountable with considerable planning by the governments involved.

5. Conclusions

There is no perfect or politically straightforward way to reduce economic inequality and eliminate poverty in capitalist economies. It should always be remembered that the very aim of capitalism—*differential accumulation*—is to create greater inequality of ownership and money. To the extent that there is a semblance of economic equality or social mobility in this or that nation largely comes down to government intervention and fiscal policy measures that redistribute wealth rather than the price mechanism of the market. However, this chapter has argued that if we start to understand the connections between capitalism, money creation and inequality, we can arrive at some interesting policy options for reducing inequality that go well beyond conventional thinking. I have argued that the mainstream

approaches to reducing economic inequality—neoliberalism (grow the economic pie) and Keynesianism (redistribute wealth from rich to poor)—do not and cannot go far enough in remedying the financial disparity we find within and between nations. We cannot solve the problem of economic inequality with the same old ideas. If we could do so, economic inequality would be a thing of the past. Radical reform in how money is created and distributed and the cancellation of developing country debt up to and including targeted foreign aid are required if we want to achieve the 10th objective of the Sustainable Development Goals. The alternative is a world awash in debt, increasing economic inequality, and the misery of needless poverty in a rich world. We are the most productive society in all of human history and there is no technical need for dearth amidst plenty.

Funding: This research received no external funding.

Acknowledgments: I would like to thank the reviewers of this chapter for their comments.

Conflicts of Interest: The author declares no conflict of interest.

References

- Anievas, Alexander, and Kerem Nişancıoğlu. 2015. *How the West Came to Rule: The Geopolitical Origins of Capitalism*. London: Pluto Press.
- Atkinson, Anthony B. 2015. *Inequality: What Can Be Done?* Cambridge, MA: Harvard University Press.
- Bateman, Milford, Stephanie Blankenburg, and Richard Kozul-Wright, eds. 2018. *The Rise and Fall of Global Microcredit: Development, Debt and Disillusion*. London: Routledge.
- Braudel, Fernand. 1983. *The Wheels of Commerce. Civilization and Capitalism 15th to 18th Century*. Translated by Sian Reynolds. London: William Collins Sons & Co Ltd.
- Credit Suisse. 2019. *Global Wealth Report 2019*. Available online: <https://www.credit-suisse.com/about-us/en/reports-research/global-wealth-report.html> (accessed on 30 April 2021).
- Di Muzio, Tim, and Leonie Noble. 2017. The Coming Revolution in Political Economy: Money, Mankiw and Misguided Macroeconomics. *Review of Real World Economics* 80: 85–108.
- Di Muzio, Tim, and Matt Dow. 2017. Uneven and Combined Confusion: On the Geopolitical Origins of Capitalism and the Rise of the West. *Cambridge Review of International Affairs* 30: 3–22. [CrossRef]
- Di Muzio, Tim, and Richard H. Robbins. 2016. *Debt as Power*. Manchester: Manchester University Press.
- Di Muzio, Tim, and Richard H. Robbins. 2017. *An Anthropology of Money: A Critical Introduction*. New York: Routledge.

- Di Muzio, Tim, and Richard H. Robbins. 2020. Capitalized Money, Austerity and the Math of Capitalism. *Current Sociology*. [CrossRef]
- Di Muzio, Tim. 2015a. *The 1% and the Rest of Us: A Political Economy of Dominant Ownership*. London: Zed Books.
- Di Muzio, Tim. 2015b. The Plutonomy of the 1%: Dominant Ownership and Conspicuous Consumption in the New Gilded Age. *Millennium: Journal of International Studies* 43: 492–510. [CrossRef]
- George, Susan. 1988. *A Fate Worse than Debt*. London: Penguin.
- Hamilton, Clive. 2004. *Growth Fetish*. London: Pluto Press.
- Huber, Joseph. 2017. *Sovereign Money: Beyond Reserve Banking*. Basingstoke: Palgrave Macmillan.
- Hutchinson, Frances, and Brian Burkitt. 1997. *The Political Economy of Social Credit and Guild Socialism*. London: Routledge.
- Ingham, Geoffrey. 2004. *The Nature of Money*. Cambridge: Polity Press.
- Kraemer, Klaus, Luka Jakelja, Florian Brugger, and Sebastian Nessel. 2020. Money Knowledge or Money Myths? Results of a Population Survey on Money and the Monetary Order. *European Journal of Sociology* 61: 219–67. [CrossRef]
- McLeay, Michael, Amar Radia, and Ryland Thomas. 2014. *Money Creation in the Modern Economy*. Available online: <https://www.bankofengland.co.uk/quarterly-bulletin/2014/q1/money-creation-in-the-modern-economy> (accessed on 30 April 2021).
- Milanovic, Branko. 2016. *Global Inequality: A New Approach for the Age of Globalization*. Cambridge, MA: The Belknap Press of Harvard University.
- Moore, Basil J. 1979. The Endogenous Money Stock. *Journal of Post Keynesian Economics* 10: 372–85. [CrossRef]
- Nitzan, Jonathan, and Shimshon Bichler. 2009. *Capital as Power: A Study of Order and Creorder*. London: Routledge.
- Piketty, Thomas. 2014. *Capital in the Twenty-First Century*. Translated by Arthur Goldhammer. Cambridge: The Belknap Press of Harvard University Press.
- Polanyi, Karl. 1959. *The Great Transformation*. Boston: Beacon Press.
- Ryan-Collins, Josh, Tony Greenham, Richard Werner, and Andrew Jackson. 2014. *Where Does Money Come From? A Guide to the UK Monetary and Banking System*. London: New Economics Foundation.
- Scott, W. R. 1903. The Constitution and Finance of the Royal African Company of England from Its Foundation Till 1720. *The American Historical Review* 8: 241–59. [CrossRef]
- Soederberg, Susanne. 2014. *Debtfare States and the Poverty Industry: Money, Discipline and the Surplus Population*. London: Routledge.
- Stiglitz, Joseph E. 2016. *The Great Divide*. London: Penguin Books.
- Werner, Richard A. 2014. Can Banks Individually Create Money out of Nothing?—The Theories and the Empirical Evidence. *International Review of Financial Analysis* 36: 1–19. [CrossRef]

- Wood, Ellen Meiksins. 2002. *The Origin of Capitalism: A Longer View*. London: Verso.
- World Bank. 2020. *Poverty and Shared Prosperity: Reversals of Fortune*. Washington, DC: World Bank Group.
- Wray, Randall. 2015. *Modern Money Theory*. Basingstoke: Palgrave MacMillan.

© 2023 by the authors. Licensee MDPI, Basel, Switzerland. This article is an open access article distributed under the terms and conditions of the Creative Commons Attribution (CC BY) license (<http://creativecommons.org/licenses/by/4.0/>).

Inequalities in Trade

Nicole Palan, Nuno Crespo and Nadia Simoes

1. Introduction

The reduction of inequalities both within and between countries is the main aim of goal 10 of the United Nations sustainability goals (SDG 10). Thus, far, many studies have focused on the measurement of *income inequality* within national boundaries. Special interest has been given to analyzing the share of the poorest people within one country, their living standards, or the evolution of international differences in per capita income as occurs in the World Inequality Report 2018 (Alvaredo et al. 2018) and the World Social Report by the United Nations (2020a).

The major concerns of the United Nations regarding SDG10 are the persistent differences in the possibilities to achieve sustainable growth and development, with technological innovation being identified as either the engine for faster and more equal development from which poorer countries can over-proportionally benefit or as a further obstacle to achieve equality, as wage inequality rises with the poorest and least qualified being left behind or even being laid off due to increased automation and digitalization processes (United Nations 2020a).

There is a wide range of factors with major impacts on economic development. In this chapter, we focus on international trade. More specifically, we study the degree of integration of a large set of countries in the international trade network. The title of this contribution “Inequalities in Trade” is inspired by the fact that we explore several dimensions of trade. The intricate network of relationships at the international level is explored in order to assess to what extent the number of trading partners of each country, the number of different products exported to each of the partners, and the volume of trade differ and have evolved over time.

Shifting the focus from national income distribution to other dimensions of inequality is in line with the United Nations statement that:

Greater focus is needed to reduce income and other inequalities, including those related to labor market access and trade. Specifically, additional efforts are needed to further increase zero-tariff access for exports from poorer countries and thus to provide better access of fast developing countries to the global trade network by providing technical assistance

to LDCs and small island developing States seeking to benefit from preferential trade status (United Nations 2015).

Thus, a critical analysis of the level of inequality in world trade is an important contribution for a better understanding of other inequalities. Economic openness and trade can foster economic possibilities as the market size increases for firms, and exports can be the key to higher paying jobs and strong long-term economic development (Grossman and Helpman 1990). In addition, more integrated countries can benefit from importing knowledge and the settlement of international companies in fast developing and least developed countries (Almeida and Fernandes 2008). The literature also suggests, however, that this beneficial development depends on the existence of social and technological capabilities of the countries that are lagging behind. For instance, Kim and Lin (2009) showed that trade openness is positively linked with economic growth for already rich and highly developed countries, whereas the opposite is true for low-income countries. Through the effect of several channels, Wood (1995) suggests that trade is the single main explanatory factor of wage inequality. According to the standard Heckscher–Ohlin model, trade integration would hurt workers in the most industrialized countries while the population in the poorest countries should benefit from increases in trade, leading to catch-up processes of the poorest towards the richest countries.

For wage differentials to determine location decisions and to have a decisive impact on trade, these differentials have to be significantly large between countries. This is the case above all for low-skilled workers where the wage differential in many sectors (e.g., the textile industry) leads to a decline in production and labor in industrialized countries, whereas developing countries can benefit by attracting firms due to their competitive advantage. In this respect, the level of trade costs is crucial for determining the volume of exports and relocation of production. Baldwin (2012) highlights that, in the presence of high wage differentials, major parts of the production processes that only need low-skilled workers can move easily to low-wage countries, whereas economic centers can mainly retain workers in strategic functions of the production process such as R&D, marketing and sales. Altogether, the importance and significance of truly global value chains cannot be underestimated.

Over recent decades, globalization has been a widely researched topic, with a special rise in interest starting in the 1990s due to technological advances that facilitate international trade and efforts undertaken to achieve trade liberalization worldwide by lowering tariffs and other barriers on trade (Levinson 2006; Cuervo-Cazurra et al. 2017; Kobrin 2017). This process of integration has the potential to allow nations to

specialize, explore their comparative advantages, and benefit from a myriad of flows. In a report entitled “Globalization, Inequality, and Poverty since 1980”, David Dollar from the World Bank stresses that:

Globalization has been a force for growth and poverty reduction in a diverse group of countries, including China, India, Mexico, Uganda, and Vietnam. I define globalization as the growing integration of economies and societies around the world because of flows of goods and services, capital, people, and ideas. The main theme of my paper is that integration accelerates development. Workers with the same skills—be they farmers, factory workers, or pharmacists—are less productive and earn less in developing economies than in advanced ones. Integration through trade in goods, foreign investment, international telecommunications, and migration reduces these gaps by raising productivity in the developing world. In this way globalization can be a powerful force for poverty reduction (Dollar 2001, p. 2).

Recent reports from the United Nations (United Nations 2020b, 2020c) highlight that, despite the fact that poverty is declining, this is happening at a slower pace than in the years before and many problems continue to persist as inequalities both within and between countries have started to rise again. Although there are many direct and indirect positive effects arising from globalization, deeper integration in the global trade network comes with costs (e.g., Morrissey and Filatotchev 2000). The evidence available points towards a significant degree of heterogeneity concerning the ability to harvest gains from the process (for a seminal set of contributions discussing some of these issues see the book organized by Smith and Toye 1979). For example, domestic firms become exposed to increased competition and some of the least efficient may shut down, leading to higher unemployment and social exclusion. In addition to the issue of the relative size of benefits and costs, there are also questions about how these gains are distributed within each country. Due to these aspects, there has been an increase in the skepticism towards globalization (Hiscox 2006; O’Rourke and Sinnott 2006). According to this line of reasoning, globalization is seen as a threat to well-being (Cuervo-Cazurra et al. 2020), requiring a thorough debate not only among policy makers but also in societies at large. Nevertheless, Morrissey and Filatotchev (2000, p. 11) emphasize that the outcome of the trade integration process may be different if the correct efforts are made:

Marginalisation is often interpreted as implying that low-income countries will ‘lose’ from globalisation, that is, marginalised economies will be made

worse-off. This need not be so. If we can understand better why some countries are marginalised, we can begin to identify the policies that can be implemented to help these countries benefit from integration into the global economy. The reforms necessary may relate to domestic policies, at the national or enterprise level (Morrissey and Filatotchev 2000, p. 11).

In the recent months, the COVID-19 crisis has been turning from a health crisis to an economic and social crisis that hinders the smoothness of international trade and is affecting the most vulnerable and the poorest in many countries. As elaborated, for example, by the United Nations World Food Programme and Laborde et al. (2020), trade networks also deteriorated in the agricultural and food sector such that food supply has not been easily guaranteed in some of the poorest parts of the world during the pandemic. This is especially true for Sub-Saharan African states, which are most vulnerable as they import roughly 40 million tons of cereals every year.

The United Nations World Food Programme, moreover, stresses the general economic vulnerability of countries which depend a great deal on exporting food and have not yet reached a sufficiently diversified trade structure, such as Angola, Mozambique, Nigeria and the Congo. Moreover, countries that are heavily oriented towards tourism such as some Caribbean countries and some African countries such as Kenya and Tanzania are likely to face significant impacts on the level of income and income inequality due to their economic specialization patterns.

All the open issues discussed above raise important topics of debate regarding the level and the evolution of inequality in trade. The analysis of this aspect is the main goal of the present chapter. To that end, we explore different dimensions of trade, namely in terms of: (1) the number of positive bilateral relations, showing the densification of the integration process of individual countries into the world trade network; (2) the volume of trade, highlighting the importance of openness for the development of national GDPs; and (3) the number of sectors involved in trade in order to shed light on the differences regarding the internationalization of production networks. A long period of time (about fifty years) is considered, which proves beneficial in detecting major trends of trade inequalities not only in the short-term but also in the long-term.

2. Materials and Methods

As mentioned in the Introduction, the main goal of the analysis developed in this chapter is to investigate the existence and the dimension of trade inequalities. To that end, we use trade data covering a long period of time—50 years (1968–2016)—aiming to provide an understanding of the main changes which occurred in the long-term.

Trade data are retrieved from Chelem—International Trade Database (CHELEM-INT) from the Centre d'Études Prospectives et d'Informations Internationales (CEPII). For each year, we not only use aggregate data at bilateral level (i.e., total exports and total imports between each pair of countries included in the sample) but also consider sectoral data, covering the ISIC 4 digit-level, which includes 147 sectors. This is a vast amount of statistical information, corresponding to more than 40 million individual trade flows. This allows us to have a very intricate perspective concerning the interrelations that countries establish with their trade relations.

Regarding the countries included in the sample, due to the political changes that occurred in the first half of the 1990s, we have to consider two different sub-periods:

1. The sub-period 1968–1990, concerning in which 72 countries were included in the analysis;
2. The sub-period 1994–2016 with 84 countries.

The difference in the number of countries between these two sub-periods derives from the disintegration processes in Czechoslovakia, the USSR, and Yugoslavia. These three former countries gave place to thirteen new countries for which data are only available starting in 1994.

It is important to emphasize that these countries account for around 96 per cent of world trade and are thus adequate to represent the structure of most existing trade flows. It is, however, important to note that the smallest and least developed countries are underrepresented in the Chelem—International Trade Database (CHELEM-INT) due to data restrictions and data reliability issues.¹

This all leads to underestimating and underrepresenting the role of Africa in the world economy.² In this regard, it is important to note that our analysis is representative in terms of the major world trade flows in the manufacturing sector, where many African countries do not have as strong comparative advantages as in agricultural products and minerals.

The shortcomings of the data are likely to lead to overestimating the degree of world trade integration as the countries not being resembled in the sample are

¹ For further details on the database see http://www.cepii.fr/cepii/en/bdd_modele/presentation.asp?id=17 (accessed on 19 October 2020).

² For an enriching study and discussion on the unequal effects of trade on African farmers and businesses in mainly buyer-driven global value chains and the marginalizing effects of world trade on some of the countries' businesses compared to the gains associated with higher trading possibilities, see Gibbon and Ponte (2005).

proportionally more likely to show a low level of integration in the world trade network.³ Thus, the evidence we obtain regarding the inequality level in trade is probably underestimated.

The evaluation of trade inequality will be centered in three main vectors:

1. The number of trade partners;
2. The volume of trade;
3. The number of different sectors involved in bilateral trade.

These three aspects will be discussed taking each country in two different roles: as an exporter and as an importer. Obviously, the two roles are strongly interconnected, yet there are idiosyncrasies that we are able to capture only when the analysis is sensitive enough to account for these two levels of analysis.

Following we will briefly discuss the importance of each of the dimensions of trade inequality. The first element that needs to be considered in order to produce an evaluation of the level of inequality concerning integration into the world trade network is the number of positive trade flows. This dimension is assessed at the bilateral level and aims to scrutinize the relevance of the participation of each country in the globalization process. As extensively documented in the literature on trade globalization, one of its key characteristics is the interdependence among countries (Palan et al. 2020). In fact, as stated by Goldberg and Pavcnik (2007, p. 41), “globalization is a broad concept casually used to describe a variety of phenomena that reflect increased economic interdependence of countries. Such phenomena include flows of goods and services across borders, reductions in policy and transport barriers to trade, international capital flows, multinational activity, foreign direct investment, outsourcing, increased exposure to exchange rate volatility, and immigration”. Thus, through this first dimension we aim to see to what extent each country contributes and participates in this complex world trade system. To keep the analysis as simple as possible, we assume that a trade flow exists whenever it takes a positive value. If the bilateral trade flow does not exist, there is a zero for trade in that bilateral relation.

Obviously, the degree of participation of the different countries in world trade cannot be measured exclusively through the number of zeros/positive trade flows. A basic dimension that should be included in any evaluation is the volume of trade. While the tremendous growth of the total volume of world trade over recent decades,

³ All countries for which the data required to apply our method were available in the Chelem trade database (INT) were included in the analysis.

and more specifically since mid-1980s, is a fact, there are significant differences among countries that are important to emphasize, as they allow a clearer picture of the overall level of trade inequality.

Finally, the third dimension that will be considered in the empirical analysis is the number of sectors. This is an interesting and less studied aspect. However, in our perspective, it is critical to a more complete and detailed understanding of the reality under scrutiny. Effectively, we expect that this dimension reveals different stages of integration. While the most developed and richest countries probably trade in a large group of sectors, the less developed countries have less diversified specialization structures and therefore export and import a smaller group of sectors. The risks from these concentration patterns emerge at several levels. One of the most important is the fact that it constrains the possibilities of expanding the productivity of the resources applied in the production process, which does not allow countries to enter in stages of development characterized by higher growth, income and employment (Prebisch 1950; Imbs and Wacziarg 2003; Hausmann et al. 2007; Osakwe et al. 2018). In addition, countries become more vulnerable to external shocks, with significant effects on the wellbeing of the population.

3. Results and Discussion

3.1. Level of Integration in the World Trade Network

The average number of trading partners of each country sheds light on the level of globalization and its evolution over time. This number captures the degree to which each country is part of the global trade network. As shown in Table 1, the average number of trading partners has steadily increased since the 1960s, starting with 59.31 out of 71 potential trading partners in 1968 and evolving to an average of 66.56 trading partners in 1990 (the sample in the first sub-period contains 72 countries, meaning that each country has 71 potential trading partners). This implies that, on average, every single country traded with all but 4.44 countries by the end of the first investigation sub-period and made use of 94 per cent of all possible trading partners in the sample.

Due to the structural break in the data set and the formation of new countries in the wake of the fall of the iron curtain, the number of potential trading partners increased to 83 after 1990. It is thus no surprise that, from 1994 onwards, the absolute number of trading partners on average increased. In 1994, each country on average traded with 77.06 countries: this equals 93 per cent of all potential trading partners. By the end of the second sub-period, these numbers increased to 82.19 countries and thus 99 per cent of all possible trading partners, indicating that almost all countries

were fully integrated into the world trade network and traded with all other countries irrespective of distance or level of development.

Table 1. Inequality in trade (1968–2016).

Year	Average Number of Trade Partners per Country	Standard Deviation	Theil Index
1968	59.31	12.53	1.8654
1969	59.92	12.19	1.7394
1970	60.86	11.51	1.4945
1971	60.65	11.16	1.3805
1972	61.06	11.07	1.3332
1973	62.06	10.73	1.2216
1974	62.50	10.42	1.1243
1975	62.81	10.20	1.0691
1976	63.19	10.02	1.0235
1977	63.28	10.02	1.0204
1978	63.76	9.44	0.8850
1979	64.22	8.73	0.7409
1980	64.22	8.96	0.7842
1981	64.33	8.74	0.7397
1982	64.60	8.23	0.6440
1983	64.35	8.70	0.7422
1984	64.61	8.61	0.7167
1985	64.56	8.61	0.7199
1986	65.13	8.25	0.6425
1987	65.53	7.88	0.5774
1988	65.97	7.09	0.4605
1989	66.24	6.94	0.4281
1990	66.56	6.42	0.3629
⋮	⋮	⋮	⋮
1994	77.06	8.38	0.4826
1995	77.76	7.46	0.3038
1996	78.11	8.01	0.3986
1997	78.48	7.70	0.4301
1998	78.81	7.42	0.3739
1999	79.06	7.07	0.3523

Table 1. Cont.

Year	Average Number of Trade Partners per Country	Standard Deviation	Theil Index
2000	79.74	6.18	0.3296
2001	80.17	5.59	0.1660
2002	80.31	5.29	0.1513
2003	80.43	5.13	0.1226
2004	80.88	4.55	0.0790
2005	80.95	4.22	0.1107
2006	81.21	3.98	0.0321
2007	81.24	4.25	0.0608
2008	81.42	3.44	0.0112
2009	81.62	3.19	0.0401
2010	81.87	2.76	0.0242
2011	82.04	2.57	0.0257
2012	81.93	3.01	0.0333
2013	82.10	2.71	0.0227
2014	82.11	2.43	0.0143
2015	82.14	2.42	0.0433
2016	82.19	2.30	0.0225

Source: Table by authors.

As we are interested in trade inequalities and the dispersion in the participation of individual countries in international trade, the standard deviation is a first proxy to analyze. In 1968, the level of dispersion around the mean value showed the highest value of all years (standard deviation = 12.53). Throughout the first sub-period, the standard deviation decreased continuously, with the only exceptions in the years 1980 and 1983. This highlights that the countries in the sample converged towards a similar level of trade integration. This development is driven by the fact that the least globally integrated countries could increase the number of trading partners significantly over time. In detail, Albania, Bangladesh and Brunei had the fewest trading partners, with the development in Brunei being the most remarkable one: while trade took place only with 12 out of the 71 potential partners in 1968, Brunei increased their number of trading partners to 69 at the end of the investigation period. This is still below the average of 82.19 trading partners in 2016; however, no other country could catch-up as strongly regarding the number of trading partners over the course of time.

At the beginning of the second sub-period, the standard deviation increased, which is driven by the fact that the number of potential trading partners became higher and that new countries such as Bosnia and Herzegovina, Kazakhstan, Kyrgyzstan, and Macedonia had only begun to establish trade relationships. It is natural therefore that they only had a limited number of trading partners at the beginning of the 1990s. Thus, it is even more noteworthy that the standard deviation declined to a level of 2.30 in 2016. Analyzing the evolution of the standard deviation in the second sub-period, it is evident that, despite the overall converging trend, the standard deviation increased in 1996, 2007, and 2012.

As outlined, the standard deviation is a good proxy for dispersion and contains meaningful information to what extent data are distributed around the mean value. However, the standard deviation depends on the number of countries under study and the absolute size of the mean value. Therefore, in empirical studies on inequality, most often properly designed measures of inequality are used. The most well-known and universally used indicators are the Gini index (Gini 1921) and the Theil index (Theil 1967). If we compare these two measures, the former has some favorable characteristics that are not shared by the latter. The reasons why the Theil index is applied in this chapter are the following: the Theil index obeys the axiom of progressive transfers and can thus weight deviations from the reference value properly. The Gini index, on the contrary, weighs deviations at the edge of the distribution more strongly than in the middle, which can lead to misleading interpretations of results or to misleading conceptions of the role of individual countries regarding the forces of trade inequality (Cowell 1995; Amiti 1999). Moreover, the Gini index can react strongly to outliers and can only be decomposed without a residual if there is no overlap between the groups of interest, which in empirical studies most often is not the case (see for instance Cowell 1980; Dagum 1997).

For our underlying research questions, it is most adequate to work with a relative index, as the primary concern of this chapter is to shed light on the driving forces of trade inequality and the changes that are due to global developments over time. We therefore apply the relative (and not the absolute) Theil index to our dataset, which implies that the mean value of trading partners is the reference value in every single year. For relative indices, the reference value can thus change over time and is not fixed, as would be the case for an absolute Theil index.

For obtaining the relative Theil index of trade inequality, we must start by calculating the number of countries with which every single country has positive export flows. Let x_{iht} measure the exports of country i ($i = 1, 2, \dots, I$) to country

h ($h = 1, 2, \dots, H$) in year t . With the help of the dummy variable v_{iht} , we can distinguish positive trade flows ($x_{iht} > 0$ and therefore $v_{iht} = 1$) from zero trade flows ($x_{iht} = 0$ with $v_{iht} = 0$):

$$v_{iht} = \begin{cases} 1 & \text{if } x_{iht} > 0 \\ 0 & \text{if } x_{iht} = 0 \end{cases}. \quad (1)$$

In order to obtain the absolute number of countries with positive trade relations for a single country in year t , t_{it} , we calculate $t_{it} = \sum_{h=1}^H v_{iht}$.

In a further step, we calculate the mean value of positive trade flows for every single year $\mu_t = \sum_{i=1}^I \frac{t_{it}}{H}$.

The relative Theil index is then obtained as follows:

$$Theil_t = \frac{1}{H} \sum_{i=1}^I \sum_{h=1}^H \frac{t_{it}}{\mu_t} \ln \frac{t_{it}}{\mu_t}. \quad (2)$$

If all countries had the same number of trade partners in one year, then also the mean would be identical and total equality would prevail. As it would then hold for every single country that the number of trade partners was identical to the mean value, the relative Theil index would take the value zero, indicating no inequality. If, on the other hand, only one country would trade with all other countries and no positive trade relationships occurred between all other countries, then the maximum level of trade inequality would prevail.

As can be seen from Table 1, the development of standard deviation and relative Theil index can be co-evolutionary, but it does not necessarily have to be. Moreover, as the relative Theil index considers the differences in size of the dataset, the results between the two sub-periods can be compared more easily with one another.

Studying the results of the relative Theil index in more detail, the strong convergence trend throughout the investigation period becomes visible. It is highly remarkable that during the first decade of our study, the Theil index decreased from 1.87 to 0.89. This convergence trend can be explained by various factors. First, many developed high-income countries such as Canada, the United States of America, and Western European countries were characterized by above-average numbers of trading partners throughout the whole investigation period. As these countries kept the number of their trading partners almost stable while the average number of trading partners for the whole sample increased, many highly developed countries contributed to a reduction in the relative Theil index as other countries caught up

to these advanced levels of trade integration. Second, we can take a closer look at the countries that had the most significant effect on the reduction in the Theil index, which are countries that were among the least integrated at the beginning of the investigation period. Bolivia increased its number of trading partners from 31 to 48, Chile from 47 to 61, Bangladesh from 40 to 61, and Paraguay from 41 to 53 countries.

Thus, altogether, the Theil index could capture a lot of movement of individual countries with respect to their impact on inequality during this first decade.

A further remarkable convergence trend can be tracked with the relative Theil index lying at 0.46 in 1988 and 0.36 in 1990, respectively. It is again the development in Southern American countries that is driving the process. However, we can observe many incremental changes in the number of trading partners in many countries in contrast to the earlier period, where only a small number of South American countries had undergone major catch-up processes by increasing the number of trading partners by more than 10 countries. Thus, whereas the decline is remarkable in both decades, the underlying development processes are to some degree different in nature. Notably, in this second decade, the development of some African countries such as Nigeria even de-globalized from 59 trading partners in 1968 to 51 countries in 1978 and could export to 65 countries in 1988, exemplifying the fact that globalization is not a one-way street but that deglobalization trends can occur, e.g., due to political instability in a country.

During the second sub-period, between 1994 and 2016, the relative Theil index was characterized by both convergence and divergence trends, with the overall trend being that of decreasing inequality. Altogether, trade inequality during these decades remained at a comparatively low level with many countries being characterized by having reached full or almost total trade integration with all other countries in the sample. Only a small number of countries remained more isolated, whereas by the end of the investigation period, 66 out of the 84 countries had positive export trade relations with all other countries. This was true only for 25 out of 84 countries in the beginning of the 1990s. The most isolated countries in 2016 were Tunisia with 73 and Indonesia with 74 trading partners (out of 83 potential trading partners). This however shows again the high level of trade integration and low level of trade inequality as even the least integrated countries are well integrated in the global trade network.

In the book *Win–Win: How International Trade Can Help Meet the Sustainable Development Goals* (Helble and Shepherd 2017, p. xv), it is stated in the Preface that “the promotion of trade integration is not an objective of the SDGs, but is considered an important means to reach the goals”. Our evidence suggests, in the sample we

are analyzing, that a significant part of the trade integration process was completed in recent decades, as the number of linkages show a steady increase over the course of time. In the next section, we will dig deeper and show additional traits of the underlying transformation.

3.2. Additional Dimensions of Analysis

Taking the discussion above as a departure point, Tables 2 and 3 allow us to see evidence for each of the countries included in our empirical study. To detect the main trends that emerge from the data, we present evidence for the first and the last year available (1968 and 2016). In addition, we now explore the differences that can be found with regard to export and import flows.

Table 2. Analyzing trade flows of exporting and importing countries—1968.

Country	Exporting Country ¹			Importing Country ²		
	No. of Zeros	No. of Sectors (Average)	Volume of Trade (Average) ³	No. of Zeros	No. of Sectors (Average)	Volume of Trade (Average) ³
Albania	36	6.77	0.57	40	14.94	0.84
Algeria	19	8.79	12.82	11	20.86	11.30
Argentina	1	24.25	22.05	7	28.65	17.21
Australia	1	42.49	42.76	2	45.66	49.57
Austria	2	64.17	26.58	3	43.61	35.49
Bangladesh	31	2.27	1.58	39	7.77	2.07
Belgium	3	75.41	104.05	3	49.42	115.72
Bolivia	40	1.99	2.04	21	21.31	2.16
Brazil	3	24.55	30.24	11	29.41	29.98
Brunei	59	0.90	1.57	41	10.30	0.51
Bulgaria	4	30.10	21.12	17	27.55	22.30
Cameroon	36	4.69	3.04	14	16.87	2.25
Canada	2	57.92	172.90	4	45.54	155.23
Chile	24	9.01	13.09	17	26.18	11.31
China	7	46.99	20.82	19	21.82	21.07
Colombia	11	10.58	8.34	18	23.83	9.16
Cote d'Ivoire	19	6.32	6.36	14	18.96	3.93
Cyprus	18	6.37	1.44	11	24.73	2.29
Denmark	1	73.76	34.55	3	45.61	42.17
Ecuador	23	4.20	3.99	21	21.68	3.48

Table 2. Cont.

Country	Exporting Country ¹			Importing Country ²		
	No. of Zeros	No. of Sectors (Average)	Volume of Trade (Average) ³	No. of Zeros	No. of Sectors (Average)	Volume of Trade (Average) ³
Egypt	12	12.96	8.99	11	25.56	9.56
Finland	0	36.21	22.60	2	37.13	21.24
Former Czechoslovakia	3	49.23	38.19	13	24.06	39.94
Former USSR	2	45.44	119.47	12	31.68	117.91
Former Yugoslavia	5	38.99	18.67	8	32.46	24.94
France	2	104.51	159.66	2	60.70	186.00
Gabon	38	1.85	1.68	29	11.25	0.83
Germany	1	117.96	409.21	1	71.62	316.85
Greece	11	20.92	6.43	5	37.92	18.65
Hong Kong	5	40.01	18.14	9	36.17	24.09
Hungary	1	32.38	23.51	13	21.04	22.02
Iceland	21	6.00	1.25	13	22.46	1.82
India	1	39.66	23.18	9	26.66	28.44
Indonesia	5	11.82	12.52	19	27.06	10.30
Ireland	4	24.80	10.52	5	33.18	15.65
Israel	12	28.90	7.93	12	31.92	13.21
Italy	2	102.10	133.30	2	60.37	129.27
Japan	0	86.48	156.06	0	45.68	126.33
Kenya	13	10.42	2.24	17	28.23	4.15
Libya	39	2.93	25.84	7	33.17	9.56
Luxembourg	3	39.83	6.20	3	33.55	5.62
Malaysia	3	21.54	18.66	9	34.72	13.72
Malta	23	6.49	0.39	8	22.72	1.90
Mexico	9	21.01	20.80	10	27.04	30.62
Morocco	8	13.08	6.56	10	25.37	7.56
Netherlands	2	90.27	210.77	2	57.30	155.14
New Zealand	9	15.31	13.24	8	29.27	10.84
Nigeria	12	7.63	7.71	7	29.13	6.89
Norway	3	47.94	25.87	4	39.39	34.83
Pakistan	2	16.89	6.79	12	26.51	11.32
Paraguay	29	3.65	0.76	27	15.87	1.31
Peru	14	9.54	12.51	12	28.51	8.98

Table 2. Cont.

Country	Exporting Country ¹			Importing Country ²		
	No. of Zeros	No. of Sectors (Average)	Volume of Trade (Average) ³	No. of Zeros	No. of Sectors (Average)	Volume of Trade (Average) ³
Philippines	14	11.68	14.53	18	26.85	18.50
Poland	2	46.08	35.31	6	26.72	37.24
Portugal	6	31.41	7.79	7	31.41	12.89
Romania	3	31.27	18.70	15	29.11	23.14
Saudi Arabia	25	3.25	21.60	14	30.08	8.91
Singapore	10	26.07	6.59	12	38.58	14.84
South Korea	13	16.83	6.28	28	19.61	17.77
Spain	2	59.11	20.67	2	48.44	44.11
Sri Lanka	4	7.65	4.33	19	21.48	4.61
Sweden	0	72.20	64.32	1	48.96	69.71
Switzerland	1	77.92	52.34	3	48.18	65.76
Taiwan	6	38.89	11.40	14	28.35	14.41
Thailand	5	14.59	8.58	13	34.52	14.81
Tunisia	24	8.00	2.52	14	19.77	3.27
Turkey	15	12.14	6.52	16	27.32	10.45
United Kingdom	1	110.06	180.84	1	75.11	210.84
United States	0	109.87	424.85	1	65.51	423.24
Uruguay	21	7.35	2.64	9	18.42	2.56
Venezuela	23	7.56	27.12	7	32.61	19.36
Viet Nam	32	9.44	0.85	24	26.23	13.41

¹ The number of zeros corresponds to the potential trading partners to which each country does not export. Average number of sectors is calculated analyzing how many sectors are, on average, involved per trade flow. ² The definition of the variables for each importing country follows the same rationale used for exporters. ³ Millions of current dollars. Source: Table by author.

Starting with the results for 1968 (Table 2), we verify that four countries already export to all the other countries included in our sample: The United States of America, Finland, Sweden, and Japan. If we define a more flexible threshold (a maximum of five zeros of trade), it is possible to conclude that the number of countries exporting to almost all the remaining countries increases to 35.

Table 3. Analyzing trade flows of exporting and importing countries—2016.

Country	Exporting Country ¹			Importing Country ²		
	No. of Zeros	No. of Sectors (Average)	Volume of Trade (Average) ³	No. of Zeros	No. of Sectors (Average)	Volume of Trade (Average) ³
Albania	1	29.92	23.13	4	44.23	56.45
Algeria	5	19.86	361.43	1	59.76	559.18
Argentina	0	68.10	664.04	0	66.25	644.57
Australia	0	82.84	2113.11	0	86.77	1997.42
Austria	0	113.23	1666.76	0	98.65	1768.56
Bangladesh	0	43.22	405.29	0	54.71	519.80
Belarus	1	49.51	244.57	1	56.95	320.01
Belgium	0	122.77	4603.78	0	99.25	4027.18
Bolivia	6	23.07	83.28	0	53.66	99.96
Bosnia and Herzegovina	1	45.65	64.60	0	58.48	106.00
Brazil	0	100.31	2118.84	0	77.94	1729.46
Brunei	14	14.75	58.14	8	37.76	38.07
Bulgaria	0	89.08	295.96	0	71.45	364.34
Cameroon	2	26.52	41.96	2	51.89	72.83
Canada	0	98.23	4197.00	0	104.77	4834.90
Chile	0	60.04	693.79	0	76.98	694.66
China	0	130.71	22,833.99	0	102.27	14,133.64
Colombia	0	58.28	400.26	0	67.92	508.16
Cote d'Ivoire	1	26.84	112.88	1	57.90	99.93
Croatia	1	72.98	152.94	1	66.71	261.80
Cyprus	0	44.45	31.49	1	60.98	102.73
Czech Republic	0	110.51	1802.08	0	89.69	1742.08
Denmark	0	109.57	962.87	0	87.53	980.58
Ecuador	0	42.61	224.42	1	55.24	183.33
Egypt	0	70.36	235.48	0	72.34	776.39
Estonia	0	72.23	174.91	3	68.80	216.22
Finland	0	92.75	650.48	0	83.23	701.39
France	0	126.05	5611.48	0	112.11	6771.50
Gabon	4	15.36	49.61	2	37.81	23.82

Table 3. Cont.

Country	Exporting Country ¹			Importing Country ²		
	No. of Zeros	No. of Sectors (Average)	Volume of Trade (Average) ³	No. of Zeros	No. of Sectors (Average)	Volume of Trade (Average) ³
Germany	0	131.96	15,483.99	0	110.35	11,814.79
Greece	0	88.57	304.74	1	77.51	505.66
Hong Kong	1	45.46	300.79	0	74.01	1994.14
Hungary	0	99.75	1208.76	1	77.86	1124.46
Iceland	2	39.18	62.71	0	63.59	86.55
India	0	117.40	2359.89	0	87.02	3260.21
Indonesia	0	96.73	1826.42	0	75.07	1572.90
Ireland	0	80.13	1522.31	0	77.33	913.11
Israel	1	74.54	656.21	2	77.23	691.78
Italy	0	127.47	5075.28	0	103.11	4444.54
Japan	0	94.27	7333.62	0	81.77	6237.91
Kazakhstan	0	31.86	361.28	2	63.60	351.79
Kenya	0	35.65	41.95	1	61.18	184.10
Kyrgyzstan	10	12.57	10.25	8	38.82	102.11
Latvia	0	71.41	146.84	5	63.66	244.06
Libya	9	9.22	79.92	6	37.55	110.83
Lithuania	0	83.61	294.75	1	69.59	320.08
Luxembourg	0	65.42	147.45	1	64.98	240.54
Macedonia	0	41.07	67.39	0	57.35	86.54
Malaysia	0	96.60	2801.93	0	78.41	1961.72
Malta	0	44.55	64.81	2	59.42	153.65
Mexico	0	94.42	4733.66	0	85.04	4176.41
Morocco	0	62.06	285.29	0	67.54	467.06
Netherlands	0	132.02	5100.69	0	132.53	4717.41
New Zealand	0	60.70	356.48	0	79.12	395.50
Nigeria	2	30.19	403.34	1	63.77	403.90
Norway	0	80.25	1046.71	0	89.70	870.16
Pakistan	0	67.01	217.04	0	65.30	521.35
Paraguay	3	20.80	97.45	6	45.72	127.23
Peru	0	53.57	420.45	1	67.55	407.80
Philippines	0	76.54	794.85	0	69.11	1262.09
Poland	0	117.43	2228.53	0	91.76	2648.90
Portugal	0	97.12	619.70	0	75.94	753.45
Romania	0	90.61	715.00	0	76.58	877.99

Table 3. *Cont.*

Country	Exporting Country ¹			Importing Country ²		
	No. of Zeros	No. of Sectors (Average)	Volume of Trade (Average) ³	No. of Zeros	No. of Sectors (Average)	Volume of Trade (Average) ³
Russian Federation	0	96.81	3399.83	0	89.49	2291.70
Saudi Arabia	0	54.08	1780.50	0	74.18	1458.97
Serbia and Montenegro	0	72.59	183.41	0	77.05	261.88
Singapore	0	88.58	1762.58	0	87.41	1954.98
Slovakia	0	87.31	878.82	0	76.11	898.16
Slovenia	0	88.73	342.44	0	76.28	391.27
South Korea	0	103.69	5482.35	0	95.00	4159.27
Spain	0	125.80	3169.14	0	105.78	3566.98
Sri Lanka	0	59.19	108.68	0	58.70	207.91
Sweden	0	105.80	1594.68	0	90.05	1593.89
Switzerland	0	110.58	3540.27	0	104.45	2758.36
Taiwan	0	95.52	3293.25	0	78.53	2392.06
Thailand	0	107.41	2452.01	0	88.40	1991.86
Tunisia	0	58.31	169.82	1	58.69	239.24
Turkey	0	111.01	1307.91	0	86.20	2042.05
Ukraine	0	83.30	447.66	0	74.48	539.31
United Kingdom	0	123.34	4613.78	0	100.48	7140.79
United States	0	124.07	13,666.49	0	107.33	23,914.59
Uruguay	0	36.55	95.34	1	57.55	126.68
Venezuela	4	26.76	331.45	2	51.70	282.70
Viet Nam	0	93.84	2293.67	1	74.27	2384.79

¹ The number of zeros corresponds to the potential trading partners to which each country does not export. Average number of sectors is calculated analyzing how many sectors are, on average, involved per trade flow. ² The definition of the variables for each importing country follows the same rationale used for exporters. ³ Millions of current dollars. Source: Table by authors.

Despite the idea that a significant number of countries export, at the beginning of the period, to a vast group of other countries, contributing to a more complex world trade network, it is also true that there are 17 countries that do not export to 20 or more of the remaining countries. At the top of this list, we identify the following cases: Brunei (59 zeros, meaning that this country does not export to 59 countries of the group of potential partners), Bolivia (40), Libya (39), Gabon (38), Albania (36),

and Cameroon (36). The simple average of the number of zeros of trade in 1968 is 11.68.

Moving our attention now to the analysis of the volume of trade, the evidence shows that in the first places are, as expected, the largest, richest, and most developed countries. In this context, it is possible to highlight the cases of the United States of America, Germany, the Netherlands (making clear the importance of ports in the context world trade), the United Kingdom, and Canada.

The evidence discussed so far concerns export flows. The results for import flows show, however, a high overlap in terms of general conclusions. Japan is the only importing country that, in the first year of analysis, imported from all trading partners, but four other countries import from 70 partners (out of 71)—Sweden, the United Kingdom, Germany, and the United States of America. Only a small group of nine countries has more than 20 zeros in bilateral trade relationships. This occurs in the following cases: Ecuador (21), Bolivia (21), Vietnam (24), Paraguay (27), South Korea (28), Gabon (29), Bangladesh (39), Albania (40), and Brunei (41).

Regarding the volume of trade in terms of imports, the group of countries in the top positions is very similar to those in the top in the case of exports, the most important difference being the appearance of France in the fourth position (while occupying the sixth position regarding exports).

A final element presented in Table 2 is the average number of sectors involved in bilateral trade, which allows us to evaluate another dimension of trade inequality. Concerning the exporting countries, the average number of sectors ranges between 0.9 in the case of Brunei and 117.9 in the case of Germany. Five countries—four European countries (Germany, the United Kingdom, France, and Italy), and the United States of America—have an average of more than 100 sectors. In turn, nine countries have an average value between 57.9 and 90.3. Thirty-four countries have an average value below 20 while 23 of them have a value below 10.

The relevant values for the analysis of imports are less dispersed. The United Kingdom—the country importing on average the vastest group of sectors—has a value of no more than 75.1 sectors (in a total of 147 sectors under analysis). Besides the United Kingdom, only Germany, the United States of America, France, Italy, and the Netherlands import more than 50 sectors on average. On the other hand, the lowest values are 7.8 (from Bangladesh) and 10.3 (Brunei).

Comparing, in overall terms, the key facts emerging from the analysis of trade inequality in 1968 and 2016, i.e., analyzing Tables 2 and 3 together, some critical conclusions should be retained. First, regarding the number of zeros of trade, we identify an extraordinarily strong densification of the world trade network,

suggesting a progressive integration of less developed countries in that network. While the average number of zeros of trade in 1968 was 11.68, in 2016 the value for this variable decreased to 0.81, with only two countries having 10 or more bilateral relations without trade, namely Brunei, with 14 zeros, and Kyrgyzstan, with 10 zeros.

Second, as expected and extensively documented in the literature, the volume of trade has very significantly increased over recent decades (see for instance Palan et al. 2020). Analyzing in more detail the ranking of countries in terms of volume of exports, three countries show a tremendous evolution:

- China, rising from the 28th position in 1968 to a clear 1st position at the end of the time period;
- South Korea, which rose from the 55th to the 6th position;
- Mexico, rising from the 29th to the 9th position.

Third, there is a remarkable increase in the average number of sectors involved in each bilateral trade relation. While at the beginning of the period the average was 32.08, in 2016 this value dramatically increased to 74.80 sectors.

The results for 2016 are shown in Table 3 and allow us to emphasize some other aspects. Starting with the number of zeros in the export flows, besides the two countries already mentioned, only the following countries have more than one zero in their export flows: Bolivia (6), Algeria (5), Venezuela (4), Gabon (4), Paraguay (3), Iceland (2), Cameroon (2), and Nigeria (2). Regarding import flows, only seven countries have zeros of trade with three or more countries. These countries are Kyrgyzstan, Brunei, Paraguay, Libyan, Latvia, Albania, and Estonia. A final aspect that should be highlighted concerns the number of sectors involved in trade. Libya is the only country specialized in less than 10 sectors (in terms of exports) while 24 countries export on average less than 50 sectors. The top six (exporting on average more than 125 sectors) comprise the following countries: the Netherlands, Germany, China, Italy, France, and Spain. In turn, when we analyze the import flows, we conclude that 10 countries import on average more than 100 sectors, namely: the Netherlands, France, Germany, the United States of America, Spain, Canada, Switzerland, Italy, China, and the United Kingdom.

Taking all this evidence together, the existence of strong asymmetries regarding the participation of specific countries in the world trade network is clear. Moreover, it is also obvious that the richest and most developed countries participate more and have stronger links with other countries than low-income countries, measured in all the terms investigated in this chapter, i.e., number of trade partners, volume of trade, and number of sectors.

As the goal of this chapter is to shed light on both trade integration and economic inequality, Table 4 provides evidence concerning the economic development levels of the countries in the sample to then address the correlation between the level of economic development and trade integration. As outlined in the United Nations' World Social Report of 2020 (United Nations 2020a), for future policy strategies, it has to be kept in mind that advances in economic development do not necessarily lead to a higher level of equality within and between countries as the level of inequality remained rather heterogeneous for countries at the same level of development.

Table 4. Development levels of the countries in the sample.

Country	Country Code	Human Development Index (HDI) ¹	Gross National Income (GNI) per Capita (2011 PPP USD) ¹
Albania	ALB	0.785	11,886
Algeria	DZA	0.754	13,802
Argentina	ARG	0.825	18,461
Australia	AUS	0.939	43,560
Austria	AUT	0.908	45,415
Bangladesh	BGD	0.608	3677
Belarus	BLR	0.808	16,323
Belgium	BEL	0.916	42,156
Bolivia	BOL	0.693	6714
Bosnia and Herzegovina	BIH	0.768	11,716
Brazil	BRA	0.759	13,755
Brunei	BRN	0.853	76,427
Bulgaria	BGR	0.813	18,740
Cameroon	CMR	0.556	3315
Canada	CAN	0.926	43,433
Chile	CHL	0.843	21,910
China	CHN	0.752	15,270
Colombia	COL	0.747	12,938
Cote d'Ivoire	CIV	0.492	3481
Croatia	HRV	0.831	22,162
Cyprus	CYP	0.869	31,568
Czech Republic	CZE	0.888	30,588
Denmark	DNK	0.929	47,918
Ecuador	ECU	0.752	10,347

Table 4. Cont.

Country	Country Code	Human Development Index (HDI) ¹	Gross National Income (GNI) per Capita (2011 PPP USD) ¹
Egypt	EGY	0.696	10,355
Estonia	EST	0.871	28,993
Finland	FIN	0.920	41,002
France	FRA	0.901	39,254
Gabon	GAB	0.702	16,431
Germany	DEU	0.936	46,136
Greece	GRC	0.870	24,648
Hong Kong	HKG	0.933	58,420
Hungary	HUN	0.838	25,393
Iceland	ISL	0.935	45,810
India	IND	0.640	6353
Indonesia	IDN	0.694	10,846
Ireland	IRL	0.938	53,754
Israel	ISR	0.903	32,711
Italy	ITA	0.880	35,299
Japan	JPN	0.909	38,986
Kazakhstan	KAZ	0.800	22,626
Kenya	KEN	0.590	2961
Kyrgyzstan	KGZ	0.672	3255
Latvia	LVA	0.847	25,002
Libya	LBY	0.706	11,100
Lithuania	LTU	0.858	28,314
Luxembourg	LUX	0.904	65,016
Macedonia	MKD	0.757	12,505
Malaysia	MYS	0.802	26,107
Malta	MLT	0.878	34,396
Mexico	MEX	0.774	16,944
Morocco	MAR	0.667	7340
Netherlands	NLD	0.931	47,900
New Zealand	NZL	0.917	33,970
Nigeria	NGA	0.532	5231
Norway	NOR	0.953	68,012
Pakistan	PAK	0.562	5311

Table 4. Cont.

Country	Country Code	Human Development Index (HDI) ¹	Gross National Income (GNI) per Capita (2011 PPP USD) ¹
Paraguay	PRY	0.702	8380
Peru	PER	0.750	11,789
Philippines	PHL	0.699	9154
Poland	POL	0.865	26,150
Portugal	PRT	0.847	27,315
Romania	ROU	0.811	22,646
Russian Federation	RUS	0.816	24,233
Saudi Arabia	SAL	0.853	49,680
Serbia and Montenegro	SRB	0.787	13,019
Singapore	SGP	0.932	82,503
Slovakia	SVK	0.855	29,467
Slovenia	SVN	0.896	30,594
South Korea	KOR	0.903	35,945
Spain	ESP	0.891	34,258
Sri Lanka	LKA	0.770	11,326
Sweden	SWE	0.933	47,766
Switzerland	CHE	0.944	57,625
Taiwan	TWN	-	-
Thailand	THA	0.755	15,516
Tunisia	TUN	0.735	10,275
Turkey	TUR	0.791	24,804
Ukraine	UKR	0.751	8130
United Kingdom	GBR	0.922	39,116
United States	USA	0.924	54,941
Uruguay	URY	0.804	19,930
Venezuela	VEM	0.761	10,672
Viet Nam	VNM	0.694	5859

¹ Data drawn from Human Development Report of the United Nations Development Programme (UNDP 2018). Source: Table by authors.

Figure 1 shows that there is a positive correlation between per capita income and the participation in world trade (measured with the share of partners–sectors where there is positive trade in the total number of partners–sectors). In turn, Figure 2 shows

the correlation between the Human Development Index (HDI) and the participation in world trade. Both figures make clear that there is a positive link between the level of development and the participation in world trade, irrespective of the choice of measurement for economic development.

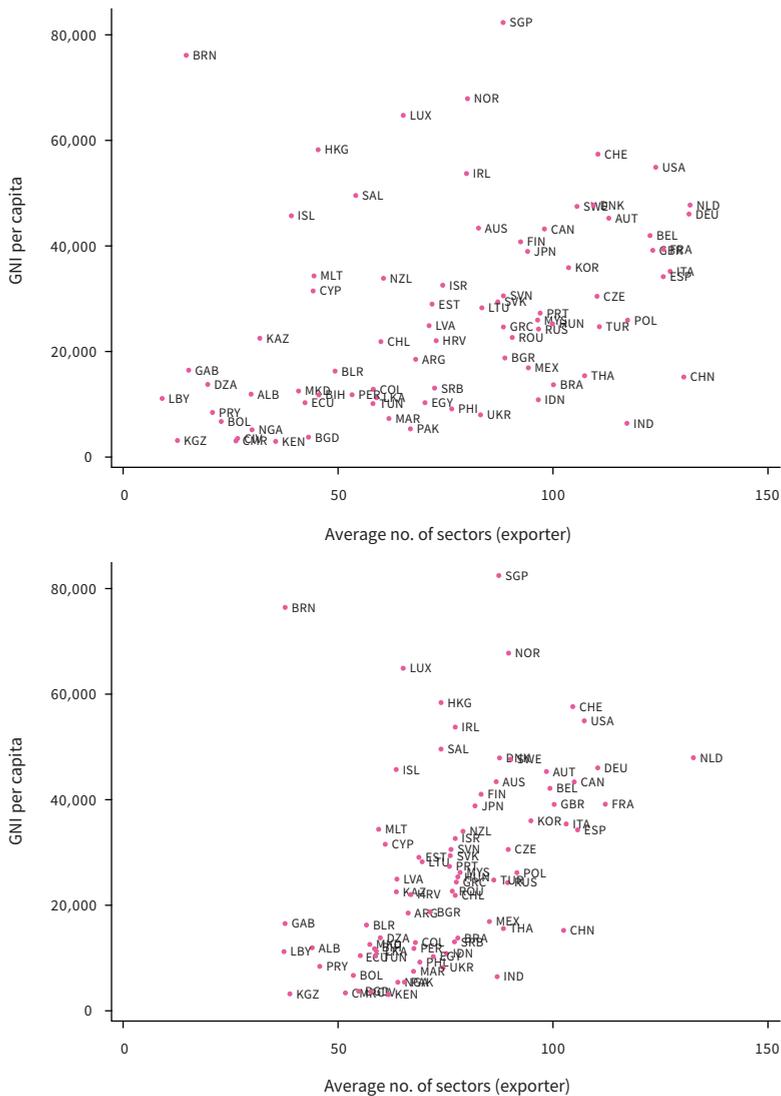


Figure 1. Development levels and diversification in trade. Source: Graphics by authors.

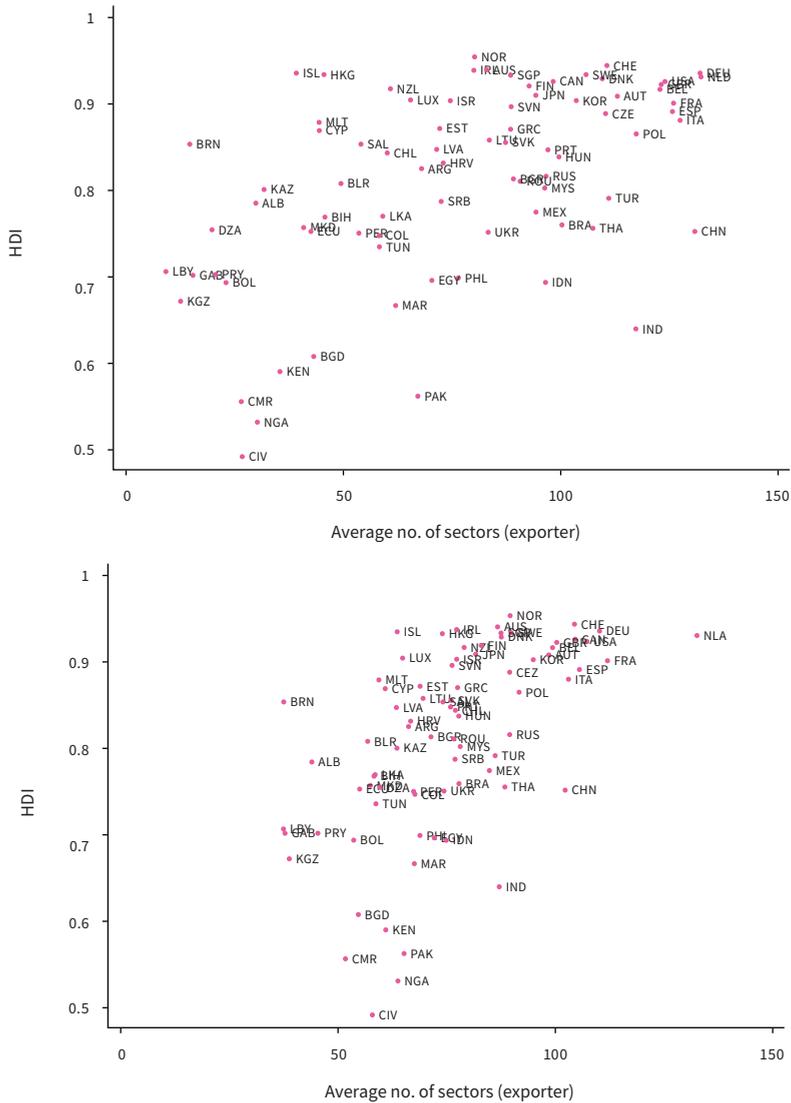


Figure 2. Development levels and diversification in trade. Source: Graphics by authors.

4. Conclusions

Using data from the export and import global trade network covering a period of five decades, this study characterizes the contours of the integration that occurred

among the countries in the sample (72 countries between 1968 and 1990; and 84 countries after 1994). Significant changes occurred at several levels. One of the most remarkable aspects is the progressive integration of the less developed countries in the world trade network. In fact, when we analyze the interdependence among countries, this is already significant at the beginning of the period and rises substantially over the next fifty years. By the end of the period, there are trade flows among almost all pairs of countries. However, significant differences persist regarding the volume of trade and the number of sectors involved in trade. This means that an important degree of inequality is evident in the current world trade structure, contributing in this manner to other dimensions of inequality, including wealth and income inequality.

The implications of this process are vast and profound and the debate over sustainable development brings new concerns into the discussion. The winners and losers of the previous years can change significantly as the concerns with working conditions and economic growth (SDG 8), gender equality (SDG 5), quality education (SDG 4), affordable and clean energy (SDG 7), and responsible consumption and production (SDG 12) become more important.

While the focus of the current chapter was the discussion of the transformations occurred in recent decades, it is important to bear in mind that, as more and more countries actively participate in world trade and less developed countries explore their advantages, the structure of comparative advantages and thereby also the global trade structures can significantly change.

However, another key aspect that should be taken into account is the fact that the COVID-19 pandemic can generate a reverse trend of globalization, making it even harder for the least developed countries to participate in international trade in the years ahead. In this context, the discussions about re-allocating production processes and re-shoring sensitive sectors are of great relevance, which can impact not only trade volume and specialization patterns but also influence inequality between countries and regions.

The inequalities in trade that we discuss in this contribution are related to three dimensions of international trade that can be captured with high granularity through the CHELEM-INT database. This very rich set of data allows us to characterize the trade relations between countries over a long period of time and for a wide range of products. Data for around 43 million bilateral trade flows were used to produce our empirical evidence. Despite its advantages, this dataset has three shortcomings that deserve attention because of their impact on the key conclusions obtained here. Let us briefly explore each of them.

First, the number of countries considered in the empirical analysis is limited due to data restrictions. Moreover, in the group of countries excluded from the sample, there is an over-representation of less developed and poor countries, namely from Africa and Asia. This is important because it means that some of the countries that are less integrated into the world trade network are not included in the empirical exercise. As highlighted by UNCTAD (2019), African countries account for less than three per cent of both global production and trade, whereas more than 16 per cent of the world population live in these countries. The challenges for African countries in participating and benefiting from international trade are expected to be high, as many of the least-developed African countries mainly rely on the export of primary goods, with high export concentration and thus little diversification, leading to high volatility in trade volumes and prices due to weather conditions and the development of international demand. Moreover, many African countries are faced with high transportation costs, which further hampers economic development. The African countries included in our analysis belong to the group of better-integrated African countries with a higher level of trade diversification. Altogether, the real level of world trade integration is probably lower than identified in this chapter and, therefore, the level of trade inequality can be underestimated.

Second, while we consider three different dimensions of world trade, another important aspect is not included due to data limitations: quality ranges in international trade flows. However, the empirical literature on international trade makes clear that there is an increasing trend pointing to intra-sectoral specialization, with more advanced countries and low-income countries specialized in different quality ranges within the same sectors, as occurs, for example, in the clothing and textile sectors (Schütz and Palan 2016). This fact contributes once again to a potential increase in the level of income inequality across (but also within) countries, as the production stages which are high-value-added and are characterized by high wages (e.g., design and marketing) remain in highly developed countries, whereas the production stages that are low-value-added and are characterized by low wages take place in developing countries. This amplifies the inequality and the share each country can earn by participating in trade in a specific sector. Inequality can however also rise within the countries, as low skilled workers are more at risk losing their jobs than high-skilled workers.

Finally, in our empirical application, we use the simplest method to evaluate the existence of a given bilateral trade flow. More specifically, we assume that a given flow exists whenever at least one dollar is exported/imported. This of course is a simplification and alternative thresholds can also be considered. Following that

strategy, lower levels of integration and greater levels of inequality will obviously emerge and could be a worthy path for future research.

Taking all these considerations together, we can easily verify that the conclusions emerging from our empirical analysis are very important but should be carefully interpreted in what regards the level of participation of less developed countries in the world trade network. In fact, the consideration of alternative methodological options implies, in almost all cases, a less favorable message in terms of trade integration and inequality reduction at the global level.

Beyond these aspects, it is important to stress that the implications of the identified trends in terms of trade inequality on the level of income inequality are far from linear. Theoretical and, above all, empirical studies produced in the most recent decades make it clear that not all countries benefit the same amount from globalization. For example, this is a key conclusion of Dollar and Kraay (2004). In their final section, summarizing the empirical results obtained, these authors state that,

we have identified a group of developing countries that have had large cuts in tariffs and large increases in actual trade volumes since 1980. Since China, India and several other large countries are part of this group, well over half of the population of the developing world lives in these globalising economies. The post-1980 globalisers are different from the rest of the developing world in terms of the extent of tariff cutting (22-point reduction compared to 10 points) and in terms of the increase in trade volume over the past 20 years (an increase from 16% to 32% of GDP, versus a decline from 60% of GDP to 49% of GDP). While growth rates of rich country have slowed down over the past several decades, the growth rates of the globalisers have shown exactly the opposite pattern, accelerating from the 1970s to the 1980s to the 1990s. The rest of the developing world, on the other hand, has followed the same pattern as the rich countries. (. . .) Thus, the globalisers are catching up with rich countries while the non-globalisers fall further and further behind (Dollar and Kraay 2004, F47).

Thus, among other aspects, the existence of an active export-led development strategy seems to be an important contribution to promote higher growth rates, as highlighted by the experience of countries such as Hong Kong, Singapore, Taiwan, and South Korea (the four Asian Tigers), as well as China, Malaysia, Thailand, India, Brazil, and Mexico (see for instance, Mishra 2020).

The aim of this chapter was to shed light on the multi-dimensional aspects of trade inequality. In this regard, we must be aware of the fact that we focus

on the role of international trade and are not able to discuss broader topics of inequality such as working conditions in textile factories in Bangladesh or the negative externalities stemming from the exploitation of lithium for the production of electro mobile cars in parts of South America. Social and gender aspects, human rights and environmental problems associated with economic integration need to be considered in sustainable economic policy-making. Especially the distribution of gains and losses from international trade between and within countries, between different groups of workers and between different age groups need to be tackled. Policy-making needs to be more aware of the fact that sustainable economic growth needs to be accompanied with social, economic, and political inclusion of large parts of the population and that many components of inequality overlap. Thus, policy making should not be focused on addressing one-dimensional policy goals but rather consider the many facets and interrelationships of inequality. This is the motivation behind the discussion we develop in this chapter. By introducing additional layers of analysis into the study of trade inequality, we enrich the knowledge available over a dimension of economic activity with very strong impacts on societies at large.

Author Contributions: Conceptualization, N.P., N.C. and N.S.; methodology, N.P., N.C. and N.S.; formal analysis, N.P. and N.C.; investigation, N.P. and N.S.; data curation, N.S.; writing—original draft preparation, N.P. and N.C.; writing—review and editing, N.P. and N.C.; visualization, N.S.; supervision, N.P. and N.C. All authors have read and agreed to the published version of the manuscript.

Funding: This research was funded by the Styrian Government, Project “(Un)Divided Inequalities in the Digital Revolution: Regions, Labor Markets and Policy Responses” and the Fundação para a Ciência e a Tecnologia, grant number UIDB/00315/2020].

Conflicts of Interest: The authors declare no conflict of interest. The founding sponsors had no role in the design of the study; in the collection, analyses, or interpretation of data; in the writing of the manuscript, and in the decision to publish the results.

References

- Almeida, Rita, and Ana Margarida Fernandes. 2008. Openness and Technological Innovations in Developing Countries: Evidence from Firm-Level Surveys. *The Journal of Development Studies* 44: 701–27. [CrossRef]
- Alvaredo, Facundo, Lucas Chancel, Thomas Piketty, Emmanuel Saez, and Gabriel Zucman. 2018. World Inequality Report 2018. Available online: <https://en.unesco.org/inclusivepolicylab/sites/default/files/publication/document/2018/7/wir2018-full-report-english.pdf> (accessed on 13 May 2020).

- Amiti, Mary. 1999. Specialisation patterns in Europe. *Review of World Economics* 135: 573–93.
- Baldwin, Richard. 2012. Global Supply Chains: Why They Emerged, Why They Matter, and Where They Are Going. CEPR Discussion Paper No. DP9103. Available online: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2153484 (accessed on 13 May 2020).
- Cowell, Frank. 1980. On the structure of additive inequality measures. *Review of Economic Studies* 47: 521–31. [CrossRef]
- Cowell, Frank. 1995. *Measuring Inequality*. Hemel Hempstead: Harvester Wheatsheaf.
- Cuervo-Cazurra, Alvaro, Yves Doz, and Ajai Gaur. 2020. Skepticism of globalization and global strategy: Increasing regulations and countervailing strategies. *Global Strategy Journal* 10: 3–31. [CrossRef]
- Cuervo-Cazurra, Alvaro, Ram Mudambi, and Torben Pedersen. 2017. Globalization: Rising skepticism. *Global Strategy Journal* 7: 155–58. [CrossRef]
- Dagum, Camilo. 1997. A new approach to the decomposition of the Gini income inequality ratio. *Empirical Economics* 22: 515–31. [CrossRef]
- Dollar, David. 2001. *Globalization, Inequality, and Poverty Since 1980*. Washington, DC: World Bank.
- Dollar, David, and Aart Kraay. 2004. Trade, growth, and poverty. *The Economic Journal* 114: F22–49. [CrossRef]
- Gibbon, Peter, and Stefano Ponte. 2005. *Trading Down: Africa, Value Chains, and the Global Economy*. Philadelphia: Temple University Press.
- Gini, Corrado. 1921. Measurement of inequality of incomes. *The Economic Journal* 31: 124–26. [CrossRef]
- Goldberg, Pinelopi Koujianou, and Nina Pavcnik. 2007. Distributional effects of globalization in developing countries. *Journal of Economic Literature* 45: 39–82. [CrossRef]
- Grossman, Gene, and Elhanan Helpman. 1990. Trade, Innovation, and Growth. *American Economic Review* 80: 86–91.
- Hausmann, Ricardo, Jason Hwang, and Dani Rodrik. 2007. What you export matters. *Journal of Economic Growth* 12: 1–25. [CrossRef]
- Helble, Matthias, and Ben Shepherd. 2017. *Win-Win: How International Trade Can Help Meet the Sustainable Development Goals*. Tokyo: Asian Development Bank Institute.
- Hiscox, Michael J. 2006. Through a glass and darkly: Attitudes toward international trade and the curious effects of issue framing. *International Organization* 60: 755–80. [CrossRef]
- Imbs, Jean, and Romain Wacziarg. 2003. Stages of diversification. *American Economic Review* 93: 63–86. [CrossRef]
- Kim, Dong-Hyeon, and Shu-Chin Lin. 2009. Trade and Growth at Different Stages of Economic Development. *The Journal of Development Studies* 45: 1211–24. [CrossRef]

- Kobrin, Stephen. 2017. Bricks and mortar in a borderless world: Globalization, the backlash, and the multinational enterprise. *Global Strategy Journal* 7: 159–71. [CrossRef]
- Laborde, David, Will Martin, Johan Swinnen, and Rob Vos. 2020. COVID-19 risks to global food security. *Science* 369: 500–2. [CrossRef]
- Levinson, Marc. 2006. *The Box: How the Shipping Container Made the World Smaller and the World Economy Bigger*. Princeton: Princeton University Press.
- Mishra, Bibhuti. 2020. Role of external and domestic demand in economic growth: A study of BRICS Countries. *Global Business Review* 21: 547–66. [CrossRef]
- Morrissey, Oliver, and Igor Filatotchev. 2000. Globalisation and trade: The implications for exports from marginalised economies. *Journal of Development Studies* 37: 1–12. [CrossRef]
- O'Rourke, Kevin H., and Richard Sinnott. 2006. The determinants of individual attitudes towards immigration. *European Journal of Political Economy* 22: 838–61. [CrossRef]
- Osakwe, Patrick N., Amelia U. Santos-Paulino, and Berna Dogan. 2018. Trade dependence, liberalization, and exports diversification in developing countries. *Journal of African Trade* 5: 19–34. [CrossRef]
- Palan, Nicole, Nadia Simoes, and Nuno Crespo. 2020. Measuring fifty years of trade globalization. *The World Economy* 44: 1859–84. [CrossRef]
- Prebisch, Raul. 1950. *The Economic Development of Latin America and Its Principal Problems*. New York: United Nations.
- Schütz, Marlies, and Nicole Palan. 2016. Restructuring of the international clothing and textile trade network: The Role of Italy and Portugal. *Journal of Economic Structures* 5: 1–29. [CrossRef]
- Smith, Sheila, and John Toye. 1979. *Trade and Poor Economies*. Totowa: Routledge.
- Theil, Henri. 1967. *Economics and Information Theory*. Amsterdam: North Holland.
- UNCTAD. 2019. Key Statistics and Trends in Regional Trade in Africa. Available online: https://unctad.org/system/files/official-document/ditctab2019d3_en.pdf (accessed on 11 May 2020).
- UNDP. 2018. *Human Development Report 2018*. New York: United Nations Development Programme.
- United Nations. 2015. Transforming Our World: The 2030 Agenda for Sustainable Development. Available online: <https://sdgs.un.org/publications/transforming-our-world-2030-agenda-sustainable-development-17981> (accessed on 17 June 2020).
- United Nations. 2020a. World Social Report 2020. Available online: <https://www.un.org/development/desa/dspd/world-social-report/2020-2.html> (accessed on 17 June 2020).
- United Nations. 2020b. Progress towards the Sustainable Development Goals. Report of the Secretary General. Available online: <https://unstats.un.org/sdgs/files/report/2020/secretary-general-sdg-report-2020--EN.pdf> (accessed on 17 June 2020).

United Nations. 2020c. The Sustainable Development Goals Report 2020. Available online: <https://unstats.un.org/sdgs/report/2020/The-Sustainable-Development-Goals-Report-2020.pdf> (accessed on 17 June 2020).

Wood, Adrian. 1995. How trade hurt unskilled workers. *Journal of Economic Perspectives* 9: 57–80. [CrossRef]

© 2023 by the authors. Licensee MDPI, Basel, Switzerland. This article is an open access article distributed under the terms and conditions of the Creative Commons Attribution (CC BY) license (<http://creativecommons.org/licenses/by/4.0/>).

Would Open Borders Lead to Reduced Global and Within-Country Inequality?

E. Wesley F. Peterson

1. Introduction

In 2015, United Nations member states adopted 17 sustainable development goals (SDG) as guides for efforts to realize a world of greater prosperity, fairness, and peace. The SDGs are interdependent, with progress on any one of the 17 also contributing to the realization of other goals. Successes in reducing poverty (SDG 1), for example, will also affect world hunger (SDG 2) and global health outcomes (SDG 3), among other goals, and these secondary impacts will feed back on poverty reduction. This review concerns the 10th SDG (SDG 10), which calls for reducing inequality within and among countries. Most debates about inequality focus on vertical inequalities, that is, the unequal distribution of income and wealth. Horizontal inequality, sometimes referred to as “existential” inequality, has to do with inequalities associated with personal attributes such as race, ethnicity, or gender (Therborn 2013). Inequality can also be studied at different geographic levels, ranging from areas within nations, nations themselves, geographic regions, or the world as a whole (Milanovic 2016). SDG 10 recognizes all of these aspects of inequality, calling for reducing global and within-country inequality, as well as racial and gender inequalities and recognizing other dimensions of inequality such as discrimination, public policies, international trade, development assistance, and international migration. It is this latter dimension that is the focus of this review, which highlights the potential for more open borders and support for international migration to contribute to reductions in inequality.

The COVID-19 pandemic that began in early 2020 has had a severe negative impact on poverty and inequality, as well as on international migration. Border regulations aimed at controlling the spread of the virus have also impeded the movements of migrant workers and their families (Letzing 2020). Some migrants have been unable to return home, while others have lost their jobs and been expelled from the countries in which they were working (*The Economist* 2020b). According to Hashmi (2020), there were 23 million migrant workers in Arab states, many of whom were unable to return home when the pandemic broke out. Some migrant workers who have been able to continue working are employed in jobs that are essential for local economies but that also put them at increased risk of exposure to the COVID-19

virus. Much of the food supply in the United States is dependent on migrant workers employed in meat packing plants or as farm workers. The working conditions for these individuals make them particularly susceptible to devastating outbreaks of COVID-19 (Sengupta 2020; Jarvis 2020). According to Kerwin et al. (2020), almost half of the 19.8 million foreign-born workers in the United States who are working in jobs essential for the functioning of the economy are naturalized citizens, while the rest are divided almost equally between immigrants with legal residency and those who are undocumented. In the European Union (EU), intra-EU migrant flows were cut off with serious consequences for the agricultural sector and health care (Andriescu 2020). The essential work carried out by many migrant workers often cannot be accomplished remotely but rather requires their physical presence in public areas, increasing their risks of contracting the virus (Migration Data Portal 2020). Finally, the economic contraction caused by the pandemic has meant that many migrant workers are no longer being paid with the result that the remittances that are so important to their home countries have fallen significantly (Letzing 2020; World Bank 2020b).

The consequences of the pandemic for international migration will almost certainly persist after the virus is controlled. It is possible that negative attitudes toward globalization will harden, leading to permanent impediments to international migration. On the other hand, the pandemic has revealed just how important immigrant workers are for the economies of recipient countries, and this could give rise to more generous refugee and immigration policies (Foresti 2020). Jordan (2021) describes regions in the United States that had been experiencing robust economic growth prior to the pandemic but experienced severe economic setbacks due to lower labor supplies as immigration declined. US population growth between 2010 and 2020 was the slowest on record, and many regions have come to rely on immigrant labor (Jordan 2021). Kirisci and Denney (2020) see the possibility that the pandemic might encourage a new US administration to reform the country's refugee policies, something that appears to be occurring under the Biden administration. While it will be necessary to keep the implications of the pandemic in mind for the rest of this paper, my focus is on the question of how international migration might contribute to reduced national and global inequality in a post-pandemic world.

In the next section, general information about inequality and international migration is summarized as background for the discussion that follows. To fully grasp the potential role of international migration in reducing inequality, it is necessary first to clearly identify the likely benefits and costs of opening national borders to greater migration. Investigations of both these questions are carried out in the third

and fourth sections, after which studies of the impact of increased migration on global and within-country inequality are reviewed. The concluding section addresses some ethical issues related to international migration and its role in reducing inequality. The focus of the review in this chapter is on the recent theoretical and empirical literature related to inequality, international migration, and the connections between the two. Many of the chosen articles provide up-to-date empirical estimates of the impacts of international migration on within- and between-country inequality. A complete examination of historical debates about these issues is beyond the scope of this review, as the primary goal is to assess the present state of the scholarly conversation about them. The works selected for inclusion in this review build on past work and can serve as guides for policy makers and analysts seeking information about the current understanding of the relationships among these phenomena.

2. The State of Global Inequality and International Migration

There is broad agreement that economic inequality within most high-income countries, including inequalities of both income and wealth, began to rise in the late 1970s, after having fallen substantially after World War II (Milanovic 2016, Milanovic 2016, Peterson 2017b). Some have suggested that economic inequality has nearly returned to levels last seen during the Gilded Age or Belle Époque of the late 19th and early 20th centuries (Piketty 2014). The record for low- and middle-income countries is not as easy to characterize as it is in high-income countries. To begin with, there is much less information about inequality in these areas over the past 75 years than is the case for high-income countries, making it difficult to determine whether longer-term inequality has been rising or falling. For more recent years, estimates of Gini indexes can be found, but they are somewhat sparse for many low- and middle-income countries. Based on World Bank (2021) estimates, the most recent Gini indexes for selected low- and middle-income countries and averages of the often-incomplete values reported for two recent periods (1990–1999 and 2000–2010) reflect widely divergent experiences with inequality reduction (Table 1). Latin American countries have long been known for high within-country inequality, but some of these countries appear to have realized modest improvements in recent years, as have a few countries in sub-Saharan Africa. On the other hand, many of the other countries included in Table 1 have either experienced little change in the level of inequality or have seen rising inequality. In addition, the current Gini estimates for most of these countries are high in comparison with more egalitarian countries such as Norway. The causes of these diverse experiences with inequality vary greatly from country to country but usually include government policies, the weakening of

labor movements, structural factors related to economic activity, assortative mating, globalization, and skills-biased technological change. Most analysts feel that high and rising levels of economic inequality are likely to have negative consequences for a wide range of social, economic, and personal conditions and that they are also closely related to other forms of inequality based on racial, ethnic, or gender discrimination (Peterson 2017b). This perspective would seem to inform the desire expressed in SDG 10 that all such inequalities be reduced.

Table 1. Average Gini index for selected developing countries, 1990–1999, 2000–2010, and most recent year.

Country	Average of Observations between 1990 and 1999	Average of Observations between 2000 and 2010	Most Recent Year
Argentina	47.9	50.4	42.9
Brazil	59.0	55.8	53.4
Chile	55.8	50.4	44.4
Honduras	54.6	56.0	48.2
China	35.4	42.4	38.5
India	31.7	34.9	35.7
Indonesia	31.9	33.0	38.2
Iran	43.6	43.5	42.0
Pakistan	31.7	31.4	31.6
Thailand	44.0	41.0	34.9
Vietnam	35.6	36.9	35.7
Cameroon	44.4	42.5	46.6
Kenya	48.5	46.5	40.8
Nigeria	48.4	41.6	35.1
Senegal	47.8	40.2	40.3
South Africa	60.0	62.3	63.0
Zambia	52.6	51.6	57.1
Norway	24.3	25.6	27.6
United States	36.2	37.3	41.4

Source: Author’s calculations based on OECD (2020c) data for Norway and the United States, World Bank (2021) data for all other countries.

Milanovic (2016) argues that global inequality “ . . . can be formally considered as the sum of all national inequalities plus the sum of all gaps in mean incomes among countries” (p. 3). He notes that the future of inequality among all the peoples of the world will depend on how rising within-country inequality will play out against a world in which the disparities in average incomes among countries are falling. Historically, global inequality has been driven primarily by differences in average income levels between countries rather than by within-country inequalities, so as low- and middle-income countries begin to catch up, global inequality should decline. Real per capita income in various developing country regions expressed as a percentage of real per capita income in high-income countries suggests that there has not yet been a great deal of income convergence outside some Asian countries (e.g., China) where economic growth has been particularly strong (Table 2). In 2019, per capita income in China was about 23% of per capita income in the high-income countries, 30% if measured in purchasing power parity (PPP) international dollars, so even there, the income gap is still substantial. In all the geographic regions shown in Table 2 except East Asia and the Pacific, per capita income relative to that of high-income countries was lower in 2019 than it was in 1962. Milanovic (2016) believes that global inequality will persist, but he also perceives the emergence of a global middle class and the potential for further income convergence. As with economic inequality, progress in the reduction of racial and gender inequalities has been uneven. The 2019 Human Development Report (UNDP 2019) suggests that while great advances in gender equality were realized during the 20th century, progress has slowed in recent years. Instances of ethnic, religious, and racial conflict and discrimination around the world continue to be regular features on the evening news, as shown by the rise of the social activism embodied in such efforts as the Black Lives Matter movement. In many parts of the world, social conflict driven by racial, ethnic, religious, or class differences is a major cause of the growing numbers of refugees and internally displaced persons.

As the 21st century unfolds, there is widespread popular discontent in many high-income countries where some people see globalization and, more particularly, international migration as objects of resentment and anger. Some politicians have exaggerated the significance of immigration and vilified immigrants for populist political ends. In fact, the 272 million international migrants in 2019 represented only 3.5% of the world’s population and many of these people were moving to neighboring countries rather than from low-income countries to rich countries in Europe and North America where immigration has become a significant issue (United Nations 2020). In 2016, Germany (current population of about 83 million) and the

United States (current population of about 327 million) both received over one million immigrants, and in 2018, the foreign-born population (a mix of naturalized citizens and legal and undocumented immigrants) in these countries made up 16% and 14%, respectively, of their total populations. In Australia and Switzerland, almost 30% of the total population is foreign-born (OECD 2020d). Under the Trump administration in the United States, the number of immigrants declined substantially (National Foundation for American Policy 2020; Kanno-Youngs 2020b). Verini (2020) reported that at least 8000 migrants have died in the Sonoran Desert in the Southwest United States as a result of that country's immigration policies (see also Romero 2021).¹ Overall, less than 4% of Earth's inhabitants are living in countries that are different from the ones in which they were born (United Nations 2020). At the same time, it should be noted that the number of people forced to migrate as a result of climate change and its consequences for food security and political conflict is likely to grow substantially in the coming years (Lustgarten 2020; Smith and Floro 2020).

National laws governing the number and kinds of immigrants who will be admitted to particular countries vary widely. Following the official end of its membership in the European Union (EU) on 31 January 2020, the government of the United Kingdom (UK) announced that after the completion of a transition period, overall immigration levels will be cut, and most low-skilled workers will be excluded in favor of immigrants with specific skills and the ability to speak English (Castle 2020). Jafari and Britz (2020) predict that reduced immigration in the aftermath of Brexit is likely to have a greater negative welfare impact in the UK than the expected reductions in UK–EU trade and investment flows. Along with other immigration programs, the US government offers an unlimited number of seasonal temporary visas for farm workers and a limited number of non-farm guest worker visas (*The Economist* 2020d). As noted by Hatton (2020), immigration policies are often crafted to serve the economic interests of the receiving country. Clearly, such approaches to immigration can have adverse effects in low-income countries if they lead to the departure of highly skilled individuals in whom the government of the low-income country has invested scarce resources for their education and training, a phenomenon known as the “brain drain”. Nussbaum (2019) is particularly critical of guest worker programs, which can result in a more-or-less permanent second-class population in the recipient country.

¹ For overviews of the Trump administration's immigration and refugee policies, see Preston (2020) and The Editorial Board (2020).

Table 2. Per capita income in low- and middle-income countries (LM), sub-Saharan Africa (SSA), East Asia and Pacific (EAP), South Asia (SA), and Latin America (LA) as a percentage of per capita income in high-income countries, 1962–2019.

Year	LM	SSA	EAP	SA	LA
1962	8.48	8.87	4.60	5.54	23.91
1974	7.09	7.20	3.72	3.25	21.80
1977	7.22	7.16	3.53	2.88	22.05
1980	6.51	6.66	2.90	2.65	20.77
1986	5.72	4.23	3.13	2.62	15.33
1992	4.16	2.67	3.77	1.64	13.65
1998	4.52	2.16	3.37	1.68	16.46
2001	4.39	1.90	3.81	1.73	14.49
2007	6.15	2.71	6.02	2.31	15.48
2010	8.31	3.22	9.48	2.91	19.48
2013	10.40	3.87	13.24	3.35	22.57
2015	10.65	4.06	15.27	3.60	20.82
2020	10.89	3.33	18.82	4.10	16.17

Source: Author’s calculations based on data from the World Bank.

In contrast, asylum policies for refugee populations are generally driven by humanitarian considerations and international agreements such as the 1951 UN Convention Relating to the Status of Refugees, which requires that signatories establish procedures for determining whether a refugee qualifies for asylum as a result of safety concerns in the country of origin and prevents refugees from being sent back to places where they may have legitimate fears for their lives or well-being (United Nations 1951). In the United States, the Trump administration instituted procedures aimed at circumventing these requirements in its effort to lower the number of asylum cases brought before US judges as part of a general attempt to reduce the number of immigrants. US asylum officers strongly objected to these policy changes arguing that they would completely undermine US asylum procedures that have been in place for many years (Kanno-Youngs 2020a). Chaos at the US border as a result of rapid increases in asylum-seekers as the new administration took office in 2021 would seem to support this prediction although the Biden administration has undertaken a review of immigration and refugee policies in an effort to correct problems at the border. In addition, some of the asylum policies of the Trump

administration have been overturned (Benner and Jordan 2021). Hatton (2020) and Brell et al. (2020) note that refugee assimilation into the receiving country's economic system is often more difficult than in the case of economic migrants who may have been admitted for their skills or may have chosen the destination country because of the likelihood of being able to find work. On the other hand, Rogers (2021) has reported that the large number of refugees from war-torn Syria and other countries experiencing conflict admitted to Germany in 2015 and 2016 have been more easily integrated into German society than has historically been the case with earlier waves of immigrants. According to UN data, about 29 million of the 272 million international migrants in 2019 were refugees fleeing wars and other life-threatening situations. The office of the United Nations High Commissioner for Refugees (UNHCR) estimated that in addition to refugees seeking asylum outside their countries of origin, some 41.3 million people were internally displaced due to conflict and violence (UNHCR 2020). The distinction between refugees and economic migrants is often difficult to maintain as people emigrating from countries in which they face poverty and low standards of living (economic migrants) may be fleeing living conditions that are, in fact, life-threatening (Nussbaum 2019).

3. The Benefits of Open Borders and International Migration

Caplan and Naik (2015) report estimates that world economic output (USD 87.6 trillion in 2019, falling to USD 84.7 trillion in 2020 as a result of the pandemic) would double if all restrictions on immigration were eliminated noting that “[I]abor is the world’s most valuable commodity—yet thanks to strict immigration regulation, most of it goes to waste” (ibid., p. 7). Support for this dramatic claim lies in the great differences in productivity associated with different parts of the world. Some of the differences in labor productivity between an average worker in Germany and an average Zambian worker are due to different levels of education and training, but much of the difference stems simply from the fact that workers in Germany work in a setting in which there is more capital, better infrastructure, less corruption, and more effective legal institutions. Clemens et al. (2019) estimate the ratios of the real wages for workers with identical skill levels in the United States and 42 developing countries and use this information to measure the average gain to workers in the low-income countries if they could migrate to the United States. Their results suggest that unskilled workers from the median country would increase their annual earnings by about USD 13,700 (purchasing power parity (PPP) international dollars). This higher pay reflects the greater productivity of workers in the United States, as compared with workers with identical skill sets in other countries. Not only would

open borders lead to much greater economic output, but the migrants themselves would realize higher living standards, and this would contribute to reductions in poverty and global inequality (Caplan and Weinersmith 2019; *The Economist* 2017, 2019; Kennan 2014).

Banerjee and Duflo (2019) note that unskilled migrant workers are often willing to perform work that native workers avoid and that they are more likely to serve as complements to host-country workers than as substitutes for them with the result that their presence is not likely to have a large impact on the wages or employment of unskilled domestic workers (see also *The Economist* 2019). They also note that skilled migrants increase the supply of doctors and other specialists, which may restrain price increases to the benefit of consumers in the receiving country, and that immigrants are more likely to start new businesses than natives, thereby contributing to economic growth in destination countries. These observations are bolstered by the work of Legrain (2020), who also points to the propensity of immigrants to create new businesses and highlights their important work in supporting healthcare systems during the global pandemic. Legrain (2020) also notes the fiscal contributions of immigrants at both local and national levels in recipient countries. Gee et al. (2017) analyzed the tax contributions of undocumented workers in the United States and found that they made significant contributions to state and local tax revenues, paying about 8% of their earnings to state and local governments, a greater proportion than the 5.4% paid by the richest one-percent of income earners. Banerjee and Duflo (2019) and Kennan (2014) point out that most people would prefer not to take the risk of moving to a foreign country so that the actual number of people who would choose to migrate if immigration restrictions were relaxed would be far less than the hordes that haunt the fevered imaginations of populist politicians.

The most obvious benefit to those who choose to migrate is the likelihood of realizing increased incomes. Caplan and Naik (2015) find that an unskilled worker moving from Mexico to the United States will see a pay increase of 150%, while an unskilled Nigerian worker moving to the United States could expect to receive an increase of more than 1000%. McKenzie (2017) reports that studies of the migrant experience all find substantial income gains for people migrating from low-income to high-income countries. Kennan (2014) estimates that the average gain for both migrants and non-migrants in 40 countries with an average annual per capita income of USD 8633 (PPP international dollars) would be USD 10,798 (PPP international dollars) more than doubling their annual incomes. Migration gives rise to other benefits as well. Zuccotti et al. (2017) observed that the children of unskilled Turkish migrants in Western Europe were more likely to complete a university education

than similar children who remained in Turkey. Preston and Grimes (2019) find that males in Australia realize greater increases in earnings after migrating than females, but female migrants achieve higher levels of subjective well-being.

Migration can also affect the lives and communities of those who remain in the country of origin as a result, in part, of remittances sent back to their original home. These remittances reached USD 554 billion in 2019, some 3.6 times the amount (USD 153 billion) of official development assistance (ODA) from the members of the Development Aid Committee of the OECD in that year, although they were expected to fall by 20% in 2020 as a result of the global pandemic (World Bank 2020a; OECD 2020a). Margolis et al. (2015) found that migration was associated with a 40% decrease in poverty in some regions of Algeria mainly as a result of foreign transfers. Binci and Giannelli (2018) show that remittances led to reduced child labor and increased school attendance in Vietnam, although domestic remittances may have had a larger impact than those from foreign sources. Theoharides (2018) connected increases in international migration to greater secondary school enrollment in several developing countries. Many emigrants do not choose to settle permanently in the countries to which they have migrated and those who return to their native country often bring skills and attitudes that contribute to that country's development. Tuccio et al. (2019) find that returnees have contributed to increased efforts to bring about progressive social and political change in Morocco, while Docquier et al. (2016) argue that open emigration policies lead to more robust democratic institutions in developing countries. Diabate and Mesplé-Soms (2019) show that migrants who have returned to Mali have been influential in reducing the practice of female genital mutilation, an example of how international migration can contribute to reducing gender inequalities.

Migration may also have favorable demographic effects in low-income countries with high population growth rates. Rapid population growth leads to large numbers of dependent children with needs for education and health services that may strain the capacity of local governments and communities. Population growth rates in sub-Saharan Africa have been around 2.8% for the past 50 years, with the result that children under 15 years of age made up 42.0% of the total population in 2020. This can be compared with areas with slower population growth such as Japan, Germany, the United States, or the EU where the proportions of the total population accounted for by this age group were 12.4%, 14.0%, 18.4%, and 15.1%, respectively, in 2020 (World Bank 2021). According to data reported by the United States Census Bureau (2020), net migration from Mali in 2020 is expected to reduce the population growth rate from 3.3% to 2.9%, while for Somalia, the actual predicted population growth

rate of 2.2% is significantly lower than the growth rate of 2.7% that would prevail without migration. While these changes appear to be modest, small differences can have significant effects over time: the population of Somalia would double every 26 years at a constant annual growth rate of 2.7%, but it would take almost 32 years for the population to double at a growth rate of 2.2%.

Dependency ratios are calculated as the number of dependent people (those less than 15 plus those older than 64) divided by the working-age population (aged 15 to 64). A dependency ratio of 1.00 means there is one working-age person for every dependent, while a value of 0.50 means that there are two working-age people for every dependent. Based on World Bank (2021) data, the dependency ratio for sub-Saharan Africa in 2020 was 0.82, and for Mali and Somalia, the ratios were 0.98 and 0.97, respectively, compared with 0.54 and 0.55 for the United States and Germany. In Japan, slow or negative population growth has resulted in large numbers of older people and a relatively high dependency ratio of 0.69. The greater the number of working-age people relative to young and elderly dependents, the more resources will be generated to meet their needs. Of course, because most of the emigrants from low-income countries are adults, significant outflows of working adults could make it more difficult to cover the educational and healthcare costs associated with the large numbers of dependent children. This effect may be offset by the substantial remittances sent home by working migrants.

There are also significant benefits to immigration in high-income countries—common destinations for migrants and refugees from developing countries. Population growth rates are low in most of these countries, which can mean a smaller labor force and slowed economic growth. GDP growth is equal to population growth plus growth in per capita output, so with low or zero population growth, the economic output can only increase in line with productivity gains, as reflected in per capita GDP growth (Peterson 2017a). Baker et al. (2005) suggest that low population growth rates are one reason economic growth is likely to remain low in most high-income countries in the coming years. The United States Census Bureau (2020) predicts that the natural population growth rate (births minus deaths among the resident population) in 2030 in high-income countries will be zero, so the only source of population growth will come from the small positive net migration rate of 0.2%. It was noted above that many low-income countries, particularly in sub-Saharan Africa, are experiencing very high population growth rates, leading to large numbers of children in need of educational and other services, which may put a severe strain on government budgets. Emigration could help to lower these high population growth rates, and if the migrants traveled to high-income

countries with low population growth, their added numbers could swell labor forces and contribute to greater economic growth (Jordan 2021). According to the National Foundation for American Policy (2020), current restrictive immigration policies in the United States could lower labor force growth by 35% or more. It was noted earlier that immigrants often work in occupations that the native population in high-income countries avoids. According to ERS (2020), 21% of hired farmworkers in the United States in the period 2014–2016 were immigrants with legal authorization to work, and 48% were undocumented immigrants. The American Farm Bureau Federation (AFBF 2020) estimated that 2012 labor shortages due mainly to immigration blockages cost the farm industry USD 1.3 billion and that cutting off access to undocumented immigrant farmworkers would cost the industry more than USD 30 billion a year. These costs will be dwarfed by the effects of the COVID-19 pandemic on global labor movements (Letzing 2020). As noted above, the pandemic has also highlighted the fact that many immigrants, such as those who harvest and process a country's food supply, perform work that is essential for the functioning of the recipient country's economy.

International migration may also serve as an adjustment mechanism when there are shocks to labor markets in high-income countries. Jauer et al. (2019) investigated the response of migrants to labor market shocks in the EU and the United States in the aftermath of the Great Recession (2008–09), finding that migration had a significant positive impact on labor market adjustments set in motion by the economic crisis. Arpaia et al. (2018) studied migration flows in the European Monetary Union where high unemployment led to increased immigration from both within and outside the union. Immigrants may also have an impact on overall economic conditions and social relations in recipient countries. Steingrass (2018) showed that an increase in recent immigrants to a US state led to small but significant increases in imports from the immigrants' countries of origin, as well as a small increase in US exports to those countries. Karkaris (2019) found that emigration from China had a strong positive effect on Chinese exports. In a study of immigrants from Eastern Europe and the former Soviet Union, Berlinschi and Harutyunyan (2019) conclude that immigrants are more politically engaged, tolerant of cultural differences, optimistic, and willing to take risks than those who choose not to emigrate. These attributes may help explain why immigrants appear to be more likely to establish new businesses in their adopted countries and less likely to require welfare support than is the case for the native population (Banerjee and Duflo 2019; *The Economist* 2019). My hometown of Lincoln, Nebraska (USA) has received significant numbers of refugees and immigrants in recent years and has seen a substantial increase in the number of

ethnic restaurants and grocery stores started up by the new arrivals to the general benefit of food consumers across the city (see Pipher 2003).

4. Opposition to Immigration

Despite the many advantages to international migrants, their countries of origin, and the host countries where they settle, there is strong opposition to allowing more immigration, particularly in many high-income countries. Borjas (2015) criticizes the assumptions underlying the claims that open borders would lead to substantial gains for the world economy, arguing that most of the productivity gains would be offset by the costs of migration and negative externalities generated by migrants in recipient countries. The negative externalities identified by Borjas are the impact migrants may have on institutions and social relationships in the host country. Collier (2015) also suggests that immigrants may contribute to the erosion of the institutions that have driven prosperity in high-income countries. Levy (2017, p. 757) argues that migration from Mexico to the United States has contributed significantly to what he refers to as “... a well-documented decline in U.S. social capital”, and Levi et al. (2020) suggest that the presence of immigrants gives rise to anti-immigration sentiments among existing citizens, although they consider this a short-run effect. Baudassé et al. (2018) found it difficult to clearly delineate the effects of migration on institutions in either the country of origin or the destination country, calling for further research to more clearly identify the institutional impacts of international migration. In contrast, Nowrasteh (2020) reports cross-country evidence showing that immigration has no impact on the domestic institutions of recipient countries including those related to corruption, economic freedom, and culture. The contestable belief that there are significant social costs, as identified by the critics of immigration, is at the heart of populist efforts to curtail immigrant arrivals in many high-income countries.

A common complaint in destination countries is that immigrants accept lower wages than native-born workers who are displaced by the influx of new workers. Borjas (2013) found that immigration into the United States depressed the wages of low-skilled workers, although it did contribute to economic growth. More recently, *The Economist* (2020c) noted that declines in US immigration in 2018 and 2019 were associated with higher growth in nominal wages, although there were other factors besides lower immigration such as relatively robust economic growth and higher labor demand that may have affected this outcome. Edo and Toubal (2015) showed that immigration to France between 1990 and 2010 resulted in a 0.6% short-run decrease in average wages but over the long run benefitted low-skill workers, while skilled French workers saw some erosion of their wages. Other analysts believe that

immigration generally has positive effects on income growth and productivity with a limited displacement of low-skilled workers (Peri 2012; Banerjee and Duflo 2019). As noted earlier, the work of immigrants often complements that of skilled native workers, allowing them to increase their productivity by focusing their efforts more narrowly on activities that require their greater skill sets. According to Davidson (2013), these observations apply to both documented and undocumented immigrants, as well as to those who arrive as refugees from foreign conflicts. Green (2018) was unable to discern displacement effects as a result of immigration to the UK, concluding that immigration had not resulted in lower wages for low-skilled workers.

A related criticism of immigration is that immigrants may receive benefits from welfare programs paid for by the taxes of the resident population. Borjas (1999) and Agersnap et al. (2020) suggest that generous welfare programs in certain high-income countries can act as a magnet attracting low-income workers from developing countries. In 2019, the Trump administration issued a new rule aimed at denying admission to the United States to individuals with visas or legal immigrant status (green cards) who had received welfare benefits in the past or appeared likely to become a “public charge” in the future (Department of Homeland Security 2019). The problem with this objection is that immigrants also pay taxes and, on average, often pay more in taxes than they take out in welfare transfers. *The Economist* (2019, p. 8) reports that “... a typical migrant from Europe to Britain can expect to pay £78,000 more in taxes than he receives in benefits.” Legal immigrants in the United States are also less likely to draw on public welfare programs than the native population, and while both legal and undocumented immigrants pay taxes, those without legal status are ineligible for public benefits other than school attendance for children (National Immigration Forum 2018; Gee et al. 2017). Based on OECD (2020b) data, about 75% of the foreign-born residents of 22 high-income members of the OECD are working age (between 25 and 64), 24% have university degrees, and less than 6% are unemployed. This suggests that most immigrants in high-income countries are gainfully employed, students, or retirees, with only the latter category likely to be drawing public benefits. There are other potential negative impacts of immigration on the economies of destination countries. Goel et al. (2020) find that there is a positive relationship between immigration flows and the size of a country’s informal sector that is largely exempt from government taxation with negative effects on government revenue. Lin and Weiss (2019) argue that high levels of immigration lead to greater wage inequality in the recipient country because both low- and high-skilled foreign-born workers are associated with gains for native workers earning high wages.

Some critics of immigration point to negative effects in the countries from which migrants have departed. Borjas (2015), for example, draws attention to the fact that although moving many people from low-income countries to high-income countries might increase global economic output, it would also lower GDP in the source countries by reducing their workforce. A more serious problem could arise if international migration removes highly skilled or highly motivated workers from low-income countries, leaving them with a less qualified labor force. The observation by Berlinschi and Harutyunyan (2019) that migrants are more likely to be open-minded and willing to take risks suggests that their departure would represent a loss to the country of origin regardless of their skill levels. This effect would be compounded if emigrants are more highly educated. Huh (2017) found that immigrants from 42 developing countries to the United States had higher education levels than those who remained and that higher gender inequality in the source country caused more highly educated women to leave. Gender effects also show up in Uprety's (2019) study of the effects of emigration of skilled health workers on health outcomes in the country of origin. The emigration of skilled professionals gave rise to negative health outcomes that were more significant when the skilled emigrants were women.

On the other hand, there is some evidence that the brain drain of educated and skilled workers can actually be of benefit to their countries of origin because it creates incentives for individuals in the sending country to make greater investments in human capital in anticipation of greater opportunities abroad. This effect is sometimes referred to as a "brain gain". Batista et al. (2012) find that an increased probability of future emigration by an individual raises the likelihood of secondary-school completion. Beine et al. (2011) conclude that skilled emigration from low-income countries encourages greater educational attainment as long as the departure rate is not too high. Wolf (2014) disagrees with the brain gain hypothesis, arguing that, in a general-equilibrium framework, increased emigration of skilled workers has no impact on human capital accumulation in the country of origin. Other analysts, however, show that the emigration of skilled workers may give rise to greater educational investments as well as other socio-economic benefits. In a study of African migration patterns, Mountford and Rapoport (2016) observe that emigration bias in favor of skilled workers leads to lower growth in African populations, while an unskilled labor bias results in an increase in African populations. The explanation for this result is that a higher probability that skilled workers will emigrate in return for higher wages gives families an incentive to have smaller families with greater investment in children's educations, whereas increased emigration of unskilled labor

reduces the incentive to restrain family size, as additional children may be able to earn more and contribute to family well-being by emigrating.

5. International Migration and Inequality

The effects of international migration on inequality may not always be easy to identify. As emigrants will usually earn higher incomes in destination countries, global inequality should fall as migration increases. Rodrik (2016) argues that removing restrictions on global labor movements might have a greater effect on inequality than trade liberalization, although he worries that low-skilled workers in the recipient countries could be adversely affected by increased immigration in those countries. If most international migration involves movements of skilled workers from low-income countries to high-income countries, global inequality should fall as the emigrants realize higher incomes. If the skilled emigrants had earned relatively high incomes in their native countries, however, their departure might lower average incomes in their country of origin, thereby widening the gap between high and low-income countries, offsetting some of the original reduction in global inequality. In this case, it would even be possible that inequality within the country of origin might fall, as the removal of the relatively high-income workers reduces disparities within the country. This would hardly be a felicitous outcome, however, as the more equal distribution of income would center on a lower average income so that the country as a whole would be poorer. Many other scenarios could be imagined involving the types of people who emigrate (low- or high-skilled workers, families), the countries to which they emigrate (neighboring low-income countries, high-income countries), the conditions surrounding their departure (refugees, economic migrants, students), and a host of other pertinent factors (Wellman 2019). This suggests that the impact of more relaxed immigration standards may be quite variable, which, of course, complicates the design of policies that would lower both global and within-country inequality as called for in SDG 10.

A further complication in the formulation of effective policies that would enhance the potential for international migration to contribute to reductions in poverty and inequality stems from political opposition in destination countries. Many advocates for greater international migration recognize that whether one agrees with these sentiments or not, as a practical matter, they must be taken into account in designing immigration policies (Miller 2016; Milanovic 2019). Milanovic (2019) notes that because migrants differ from the indigenous population, their presence can undermine public support for the welfare state, which requires some agreement on the kind of people who deserve public assistance. As he recognizes

the potential benefits of international migration, he proposes that immigrants be granted less than full citizenship rights as a way to avoid efforts to curtail all immigration, thereby realizing some of the efficiencies that would stem from freer labor movements. He also suggests that the resident population might be more willing to accept immigrants if they are less likely to become permanent residents (Milanovic 2019). Temporary guest worker programs might be a way to accomplish this end, although experience suggests that temporary guest workers have a way of becoming more permanent residents (*The Economist* 2020a). Weyl (2018) argues that high-income countries would do well to emulate the countries of the Gulf Cooperation Council, which admit large numbers of migrant workers from low-income countries who are paid substantially less than natives doing the same kind of work. While this sort of approach seems to run counter to SDG 10 target 10.3 calling for the elimination of discrimination, such policies might help prevent the adoption of even more restrictive immigration policies.

Although some low-income countries have begun to catch up with richer countries, global inequality is still driven primarily by differences in mean incomes among countries. McKenzie (2017) argues that migrants' increased earnings in high-income countries lead to reductions in poverty and global inequality. He notes, however, that the effects of emigration on within-country inequality depend on who migrates, arguing that greater emigration of unskilled workers leads to greater reductions in poverty and inequality, while inequality may actually increase if the poor are prevented from taking advantage of the gains from emigration. Galiano and Romero (2018) show that limited emigration of skilled workers can lead to lower within-country inequality but that as more people invest in skills acquisition in response to migration opportunities, income dispersion within the country may increase. Their model also indicates that at higher levels of skilled emigration, income inequality decreases so that the relationship between the volume of skilled emigration and inequality is that of an inverted U. Hobbs and Jameson (2012) study the destinations of poor and rich migrants from Nicaragua finding that higher-income emigrants are more likely to move to the United States from which greater remittances are returned to their families, while poorer emigrants move to Costa Rica from which limited remittances are sent, with the result that within-country inequality increases.

Stark and Taylor (1989, 1991) argue that decisions to migrate are driven not only by absolute differences in income between countries, but also by relative income levels in the country of origin. In analyzing migration from Mexico to the United States, they find that households situated at lower levels of the Mexican income distribution are more likely to be the source of US immigrants than households that

are more favorably placed in the local economy. This result suggests that emigration to a high-income country can lead to lower within-country inequality as poorer households gain from the decision of some of their members to emigrate. Borjas (1987) found that the earnings of immigrants in the United States with similar skill levels varied with conditions in their countries of origin. In particular, his results showed that immigrants from countries with greater income inequality than the United States were more likely to come from the poorer social strata in their home countries, which, again, might suggest an equalizing effect on that country's income distribution.

On the other hand, Borjas's (1987) empirical results suggested that immigrants from countries with higher per capita incomes, lower inequality, and more democratic systems such as the countries of Western Europe had higher earnings than those from countries that did not fit this profile, developing countries in particular. Borjas (1999) also explored the idea of "welfare magnets", which suggests that immigrants likely to receive welfare benefits in the destination country, will choose areas within that country offering the most generous benefits. In a more recent study, Agersnap et al. (2020) examined the welfare magnet hypothesis in Denmark, where a policy reducing welfare benefits for immigrants from outside the EU was introduced and subsequently repealed only to be reintroduced a few years later. They found that immigration fell substantially in response to the reduction in benefits and rose by a similar amount when the benefits were reinstated. It is important to note in this context that there is evidence that immigrants are currently less likely to receive welfare benefits than the native population (Banerjee and Duflo 2019).

Hackl (2018) calls for a more expansive view of global mobility that would recognize the movement of people as well as social and digital mobility. Social mobility is defined as a movement among social classes, while digital mobility deals with the possibility that work will no longer be tied to particular locations. He notes that the effect of human mobility on inequality depends on numerous factors and that it is not inevitable that increased migration will lead to reduced inequality. Social mobility can be restricted or facilitated in either the home country or the destination country for those who emigrate, and Hackl believes that the extent of social mobility is an important element in overall inequality. Abramitzky et al. (2021) compared a large sample of the earnings of sons with those of their fathers, finding that the sons of immigrant fathers achieved greater upward mobility than sons of fathers born in the United States. The greater social mobility of immigrant children may contribute to reductions in within-country inequality. By detaching work from particular locations, digital mobility could make important contributions to inequality reduction by extending opportunities to more people and by removing the salience

of barriers to human movement attendant to current anti-immigrant sentiments. Milanovic (2019) imagines a future in which tasks can be performed anywhere on the globe, removing the incentives and need for international migration.

There appears to be some agreement that more extensive international migration would bring significant efficiency gains through better allocation of resources around the world in the same way that the relatively free movement of goods, services, and capital currently does. The EU's recognition of such economic benefits led to the creation of the single market with its requirement that labor be allowed to move freely within the EU along with goods, services, and capital. In the United States, new technology made extensive petroleum deposits accessible in North Dakota, leading to the rapid growth of that industry, labor shortages, and higher wages. Many workers from other states responded by moving to North Dakota, benefiting from higher wages and easing the labor shortages. The same types of efficiency gains could be realized globally if there were fewer restrictions on international migration. Recognizing the caveats raised by analysts such as Borjas (2013, 2015), it still seems likely that more open borders would lead to greater global economic growth. It is well known, however, that economic growth does not automatically lead to greater equality. In fact, while most economists believe that economic growth is important, many would argue that growth needs to be complemented by policy interventions to ensure that the benefits of that growth are widely shared across the population (Milanovic 2019; Stiglitz 2019).

The authors included in this review have found great variety in the effects of international migration on inequality. In many cases, the varying impacts arise in particular settings with circumstances that are peculiar to those times and places. This suggests that it may not be possible to identify a unique set of policies that would effectively ensure that international migration plays a constructive role in reducing inequality across all countries, making the design of appropriate policies particularly complicated.

On the other hand, there may be some consensus that certain policies are unhelpful in fighting inequality. Several authors (e.g., McKenzie 2017) suggest that policies in recipient countries that target skilled workers in developing countries may actually increase inequality. De Haas et al. (2018) showed that migration policies around the world had become less restrictive overall but more selective targeting "... high- and low-skill workers, students, and refugees" (p. 324). As noted earlier, the United Kingdom intends to admit only skilled workers who can speak English, while other countries may be more inclined to admit temporary unskilled workers through programs such as that of the United States for farmworkers. These policies

are often adopted with little regard for their effects in the immigrants' countries of origin (Hatton 2020). Cavallero (2006) considers it wrong to ignore these effects, arguing that while every country has a right to control its borders, richer countries, in return, should be required to provide funding for development assistance to countries that produce large numbers of emigrants. SDG 10 views development assistance as part of the effort to reduce inequality, but it could also be seen as compensation for the resources expended in developing countries on education and health services for individuals who migrate to higher-income countries. One could also argue that high-income countries should open their borders to a broader pool of migrants rather than attempting to pick off the most highly educated and productive citizens of developing countries and that they should provide financial compensation to the countries from which these often-essential workers have emigrated for the educational and other investments made on their behalf by the governments of their native countries.

Opposition to immigration in many high-income countries might be attenuated if immigrants were not granted the full range of rights offered to citizens. Weyl (2018) argues for arrangements similar to those found in the Gulf States where large numbers of immigrant workers have many fewer rights than the native population. Milanovic (2016) believes that unrestricted immigration with no discrimination between immigrants and residents is probably not politically feasible, while the current system of admitting some immigrants who are allegedly treated equally but, in fact, are classed as illegal aliens subject to great uncertainty and discrimination is inefficient and inequitable. He suggests that it would be preferable, as an intermediate position, to admit more migrants but with "... legally defined relatively mild differences in treatment of local and foreign labor" (ibid., p. 154). Becker (2011) proposed another way to make immigrants more acceptable to the native population. Similar to Milanovic (2016), Becker believes that allowing large numbers of immigrants to enter high-income countries is not politically feasible. To reduce the demand for entry by potential immigrants, he proposed charging a fee of around USD 50,000 for entry into the United States. He argued that such a fee would be more efficient than quantitative restrictions (quotas) and would have the added advantage of ensuring that immigrants have strong commitments to eventually becoming citizens. Miller (2016) feels that the goal should be for immigrants to become full members of the societies they join, admitting, as a practical matter, that temporary migration would be acceptable if properly managed. However, he objects to situations in which a permanent group of second-class citizens is created as is the case in the United States where large numbers of undocumented immigrants without official

status and ordinary labor market protections are at the mercy of employers and a sometimes-capricious government.

6. Conclusions

Milanovic (2019) defines a “citizenship premium” as the difference in income between two more-or-less identical people who happen to be citizens of different countries. The estimate by Clemens et al. (2019) that the value of migration barriers between low-income countries and the United States for low-skilled men (13,700 international dollars) could be thought of as a lower-bound measure of the annual value of the premium that falls to low-skilled US workers simply by virtue of their citizenship. Milanovic (2019) suggests that the citizenship premium is similar to an asset that has a value equal to the discounted stream of economic advantages resulting from one’s citizenship over the life of the holder. He notes that, as with other assets, citizenship can be bought in certain countries, and there may be different classes of citizens as in the United States where legal permanent residents enjoy many but not all of the rights—they do not have voting rights, for example—of full citizens. That the accident of birth should confer the ownership of such a valuable asset on citizens raises an important moral question: by what right do individuals who happen to have been born in a rich country deserve the citizenship premium that comes with their birth? After all, they have done nothing in particular to warrant this windfall, nor have those born in poor countries done anything to justify the citizenship penalty that accompanies their birth.

The basis for receiving a citizenship premium is the existence of nation-states that have sovereignty over a territory, coupled with different national income levels. Some cosmopolitans question the moral relevance of national sovereignty arguing that our obligations to other people do not stop at the national border (Singer 2009; Appiah 2019). Others favor respect for national sovereignty arguing for the value of community and solidarity within nation-states but also believe that citizens in high-income countries have more extensive obligations to foreigners than actual practice would suggest (Nussbaum 2019; Miller 2016). Such obligations could be thought to arise from historical facts such as that people in high-income countries have generated the majority of the greenhouse gases that are warming the planet creating conditions that drive many low-income people into international migration (Burzynski et al. 2019; Lustgarten 2020). Others see national sovereignty as critical for human flourishing (see Miscevic 2018) but would probably not agree that egregious abuses of non-citizens through mistreatment of refugees at the border or exploitation of undocumented workers in a high-income country pass moral muster. Crafting

immigration policies, along with complementary policies related to foreign aid, trade, international finance, and in other areas, so as to encourage economic growth and greater equality in both recipient countries and countries of origin will be complicated, but if carried out successfully, such policies could increase the potentially positive impacts of international migration on global- and within-country inequality, as called for by SDG 10.

Funding: This research received no external funding.

Conflicts of Interest: The author declares no conflict of interest.

References

- Abramitzky, Ran, Leah Boustan, Elisa Jácome, and Santiago Pérez. 2021. Intergenerational Mobility of Immigrants in the United States over Two Centuries. *American Economic Review* 11: 580–608. [CrossRef]
- AFBF. 2020. Economic Impact of Immigration. American Farm Bureau Federation. Available online: <https://www.fb.org/issues/immigration-reform/agriculture-labor-reform/economic-impact-of-immigration> (accessed on 16 January 2020).
- Agersnap, Ole, Amalie Jensen, and Henrik Kleven. 2020. The Welfare Magnet Hypothesis: Evidence from an Immigrant Welfare Scheme in Denmark. *AER: Insights* 2: 527–42. [CrossRef]
- Andriescu, Monica. 2020. Under Lockdown amid COVID-19 Pandemic, Europe Feels the Pinch from Slowed Intra-EU Labor Mobility. Migration Policy Institute. May 1. Available online: <https://www.migrationpolicy.org/article/COVID19-europe-feels-pinch-slowed-intra-eu-labor-mobility#:~:text=Intra-EU%20labor%20mobility%20is%20centered%20on%20matching%20labor,administrations%20and%20employers%20in%20the%20countries%20of%20destination> (accessed on 10 September 2020).
- Appiah, Kwame Anthony. 2019. The Importance of Elsewhere: In Defense of Cosmopolitanism. *Foreign Affairs* 98: 20.
- Arpaia, Alfonso, Aron Kriss, Balazs Palvolgyi, and Alessandro Turrini. 2018. The Effects of European Integration and the Business Cycle on Migration Flows: A Gravity Analysis. *Review of World Economy* 154: 815–34. [CrossRef]
- Baker, Dean, J. Bradford De Long, and Paul R. Krugman. 2005. Asset Returns and Economic Growth. *Brookings Papers on Economic Activity* 1: 289–330. [CrossRef]
- Banerjee, Abhijit, and Esther Duflo. 2019. *Good Economics for Hard Times*. New York: Public Affairs.
- Batista, Catia, Aitor Lacuesta, and Pedro Vicente. 2012. Testing the ‘Brain Gain’ Hypothesis: Micro Evidence from Cape Verde. *Journal of Development Economics* 97: 32–45. [CrossRef]

- Baudassé, Thierry, Rémi Bazillier, and Ismaël Issifou. 2018. Migration and Institutions: Exit and Voice (from Abroad)? *Journal of Economic Surveys* 32: 727–66. [CrossRef]
- Becker, Gary S. 2011. The Challenge of Immigration—A Radical Solution. The Institute of Economic Affairs. Available online: <http://iea.org.uk/sites/default/files/publications/files/IEA%20Challenge%20of%20Immigration%20web.pdf> (accessed on 2 September 2021).
- Beine, Michel, Frédéric Docquier, and Cecily Oden-Defoort. 2011. A panel data analysis of the brain gain. *World Development* 39: 523–32. [CrossRef]
- Benner, Katie, and Miriam Jordan. 2021. U.S. Ends Trump Policy Limiting Asylum for Gang and Domestic Violence Survivors. *New York Times*, June 16.
- Berlinschi, Ruxanda, and Ani Harutyunyan. 2019. Do Migrants Think Differently? Evidence from Eastern Europe and Post-Soviet States. *International Migration Review* 53: 831–68. [CrossRef]
- Binci, Nichele, and Gianna Claudia Giannelli. 2018. Internal versus International Migration: Impacts of Remittances on Child Labor and Schooling in Vietnam. *International Migration Research* 52: 43–65. [CrossRef]
- Borjas, George. 1987. Self-Selection and the Earnings of Immigrants. *American Economic Review* 77: 531–53.
- Borjas, George. 1999. Immigration and Welfare Magnet. *Journal of Labor Economics* 17: 607–37. [CrossRef]
- Borjas, George. 2013. *Immigration and the American Worker*. Washington, DC: Center for Immigration Studies. Available online: <http://cis.org/immigration-and-the-americanworker-review-academic-literature> (accessed on 2 September 2021).
- Borjas, George J. 2015. Immigration and Globalization: A Review Essay. *Journal of Economic Literature* 53: 961–74. [CrossRef]
- Brell, Courtney, Christian Dustmann, and Ian Preston. 2020. The Labor Market Integration of Refugee Migrants in High-Income Countries. *Journal of Economic Perspectives* 14: 94–121. [CrossRef]
- Burzynski, Michal, Christoph Deuster, Frédéric Dosquier, and Jaime de Melo. 2019. Climate Change, Inequality, and Human Migration. IRES Discussion Paper 2019014, Institut de Recherches Economiques et Sociales (IRES), Noisy-le-Grand, France.
- Caplan, Bryan, and Vipul Naik. 2015. A Radical Case for Open Borders. In *The Economics of Migration: Market-based Approaches, Social Science, and Public Policy*. Edited by Benjamin Powell. New York: Oxford University Press, pp. 180–209. Available online: <http://econfaculty.gmu.edu/bcaplan/caplannaik.pdf> (accessed on 10 January 2020).
- Caplan, Bryan, and Zach Weinersmith. 2019. *Open Borders: The Science and Ethics of Immigration*. New York: First Second.
- Castle, Stephen. 2020. U.K.'s New Immigration Rules Will Restrict Low-Skilled Workers. *New York Times*, February 19.

- Cavallero, Eric. 2006. An Immigration-Pressure Model of Global Distributive Justice. *Politics, Philosophy and Economics* 5: 97–127. [CrossRef]
- Clemens, Michael A., Claudio E. Montenegro, and Lant Pritchett. 2019. The place premium: Bounding the price equivalent of migration barriers. *The Review of Economics and Statistics* 101: 201–13. [CrossRef]
- Collier, Paul. 2015. *Exodus: How Migration Is Changing Our World*. New York: Oxford University Press.
- Davidson, Adam. 2013. Do Illegal Immigrants Actually Hurt the U.S. Economy? *The New York Times Magazine*, February 12.
- De Haas, Hein, Katharina Natter, and Simona Vezzoli. 2018. Growing Restrictiveness or Changing Selection? The Nature and Evolution of Migration Policies. *International Migration Review* 52: 324–67. [CrossRef]
- Department of Homeland Security. 2019. Inadmissibility on Public Charge Grounds. *U.S. Federal Register* 84–157. Available online: <https://www.govinfo.gov/content/pkg/FR-2019-08-14/pdf/2019-17142.pdf> (accessed on 22 August 2020).
- Diabate, Idrissa, and Sandrine Mesplé-Somps. 2019. Female Genital Mutilation and Migration in Mali: Do Return Migrants Transfer Social Norms? *Journal of Population Economics* 32: 1125–70. [CrossRef]
- Docquier, Frédéric, Elisabetta Lodigiani, Hillel Rapoport, and Maurice Schiff. 2016. Emigration and Democracy. *Journal of Development Economics* 120: 209–33. [CrossRef]
- Edo, Anthony, and Farid Toubal. 2015. Selective Immigration Policies and Wage Inequality. *Review of International Economics* 23: 160–87. [CrossRef]
- ERS. 2020. Farm Labor. Economic Research Service, USDA. Available online: <https://www.ers.usda.gov/topics/farm-economy/farm-labor#legalstatus> (accessed on 8 February 2020).
- Foresti, Marta. 2020. Less Gratitude Please. How COVID-19 Reveals the Need for Immigration Reform. Brookings Future Development. May 22. Available online: <https://www.brookings.edu/blog/future-development/2020/05/22/less-gratitude-please-how-COVID-19-reveals-the-need-for-migration-reform/> (accessed on 5 September 2020).
- Galiano, Aida, and José Gabriel Romero. 2018. Brain Drain and Income Distribution. *Journal of Economics* 124: 243–67. [CrossRef]
- Gee, Lisa Christensen, Matthew Gardner, Misha E. Hill, and Meg Wiehe. 2017. *Undocumented Immigrants' State and Local Tax Contributions*. Washington, DC: Institute on Taxation and Economic Policy.
- Goel, Rajeev K., Rati Ram, Friedrich Schneider, and Ashley Potempa. 2020. International Movements of Money and Men: Impact on the Formal Economy. *Journal of Economics and Finance* 44: 179–97. [CrossRef]

- Green, Jessica. 2018. To What Extent Does Immigration Lead to Displacement Effects and Subdued Growth in Earnings for UK Workers? *Atlantic Economic Journal* 46: 243–45. [CrossRef]
- Hashmi, Sameer. 2020. Coronavirus Leaves Gulf Migrant Workers Stranded. *BBC News*, May 16. Available online: <https://www.bbc.com/news/world-middle-east-52655131> (accessed on 6 September 2020).
- Hackl, Andreas. 2018. Mobility Equity in a Globalized World: Reducing Inequalities in the Sustainable Development Agenda. *World Development* 112: 150–62. [CrossRef]
- Hatton, Timothy J. 2020. Asylum Migration to the Developed World: Persecution, Incentives, and Policy. *Journal of Economic Perspectives* 14: 75–93. [CrossRef]
- Hobbs, Andrew W., and Kenneth P. Jameson. 2012. Measuring the Effect of Bi-Directional Migration Remittances on Poverty and Inequality in Nicaragua. *Applied Economics* 44: 2451–60. [CrossRef]
- Huh, Yunsun. 2017. Gender Empowerment and Educational Attainment of US Immigrants and Their Home-Country Counterparts. *Feminist Economics* 23: 120–45. [CrossRef]
- Jafari, Yaghoob, and Wolfgang Britz. 2020. Brexit: An Economy-wide Impact Assessment on Trade, Immigration, and Foreign Direct Investment. *Empirica* 47: 17–52. [CrossRef]
- Jarvis, Brooke. 2020. Consider the Cherry. *The New York Times Magazine*, August 16.
- Jauer, Julia, Thomas Liebig, John P. Martin, and Patrick A. Puhani. 2019. Migration as an Adjustment Mechanism in the Crisis? A Comparison of Europe and the United States 2006–2016. *Journal of Population Economics* 32: 1–22. [CrossRef]
- Jordan, Miriam. 2021. Decline in Immigration Threatens Growth of Regions on the Rise. *New York Times*, August 11.
- Kanno-Youngs, Zolan. 2020a. Asylum Officers Condemn what They Call ‘Draconian’ Plans by Trump. *New York Times*, July 15.
- Kanno-Youngs, Zolan. 2020b. As Trump Barricades the Border, Legal Immigration Is Starting to Plunge. *New York Times*, February 24.
- Karkaris, Dimitrios. 2019. International Migration and Export Flow: Evidence from the People’s Republic of China. *East Asian Economic Review* 23: 311–29. [CrossRef]
- Kennan, John. 2014. Freedom of Movement for Workers. IZA World of Labor. Available online: <https://wol.iza.org/uploads/articles/86/pdfs/freedom-of-movement-for-workers.pdf> (accessed on 15 February 2020).
- Kerwin, Donald, Mike Nicholson, Daniela Alulema, and Robert Warren. 2020. US Foreign-born Essential Workers by Status and State, and the Global Pandemic. Center for Migration Studies. Available online: <https://cmsny.org/publications/us-essential-workers/> (accessed on 6 September 2020).

- Kirisci, Kemal, and Sam Denney. 2020. COVID-19 and the Chance to Reform US Refugee Policy. Brookings Order from Chaos. August 11. Available online: <https://www.brookings.edu/blog/order-from-chaos/2020/08/11/COVID-19-and-the-chance-to-reform-us-refugee-policy/> (accessed on 10 September 2020).
- Legrain, Philippe. 2020. *Them and Us: How Immigrants and Locals Can Thrive Together*. New York: Oneworld Publications.
- Letzing, John. 2020. How COVID-19 Is Throttling Vital Migration Flows. World Economic Forum. Available online: <https://www.weforum.org/agenda/2020/04/COVID-19-is-throttling-vital-migration-flows/> (accessed on 16 September 2020).
- Levi, Eugenio, Rama Dasi Mariani, and Fabrizio Patriarca. 2020. Hate at First Sight? Dynamic Aspects of the Electoral Impact of Migration: The Case of UKIP. *Journal of Population Economics* 33: 1–32. [CrossRef]
- Levy, Morris. 2017. The Effect of Immigration from Mexico on Social Capital in the United States. *International Migration Review* 51: 757–88. [CrossRef]
- Lin, Ken-hou, and Inbar Weiss. 2019. Immigration and Wage Distribution in the United States. *Demography* 56: 2229–52. [CrossRef] [PubMed]
- Lustgarten, Abrahm. 2020. Refugees from the Earth. *The New York Times Magazine*, July 26.
- Margolis, David N., Luis Miotti, El Mouhoub Mouhoud, and Joel Oudinet. 2015. ‘To have and Have Not’: International Migration, Poverty and inequality in Algeria. *Journal of Economics* 117: 650–85. [CrossRef]
- McKenzie, David. 2017. Poverty, Inequality, and International Migration: Insights from 10 Years of Migration and Development Conferences. *Revue d'Économie du Développement* 25: 13–28. [CrossRef]
- Migration Data Portal. 2020. Migration Data Relevant to the COVID-19 Pandemic. Available online: <https://migrationdataportal.org/themes/migration-data-relevant-COVID-19-pandemic> (accessed on 15 September 2020).
- Milanovic, Branko. 2016. *Global Inequality: A New Approach for the Age of Globalization*. Cambridge, MA: Belknap Press of Harvard University Press.
- Milanovic, Branko. 2019. *Capitalism, Alone: The Future of the System the Rules the World*. Cambridge, MA: Harvard University Press.
- Miller, David. 2016. *Strangers in Our Midst: The Political Philosophy of Migration*. Cambridge, MA: Harvard University Press.
- Miscevic, Nenad. 2018. Nationalism. In *The Stanford Encyclopedia of Philosophy (Summer 2018 Edition)*. Available online: <https://plato.stanford.edu/archives/sum2018/entries/nationalism/> (accessed on 8 August 2021).
- Mountford, Andrew, and Hillel Rapoport. 2016. Migration Policy, African Population Growth and Global Inequality. *The World Economy* 2016: 543–56. [CrossRef]

- National Foundation for American Policy. 2020. The Impact of Administration Policies on Immigration Levels and Labor Force Growth. NFAP Policy Brief. Available online: <https://nfap.com/wp-content/uploads/2020/02/Legal-Immigration.NFAP-Policy-Brief.February-2020.pdf> (accessed on 15 January 2020).
- National Immigration Forum. 2018. Fact Sheet: Immigrants and Public Benefits. August 21. Available online: <https://immigrationforum.org/article/fact-sheet-immigrants-and-public-benefits/> (accessed on 15 January 2020).
- Nowrasteh, Alex. 2020. *Wretched Refuse?* Cambridge Studies in Economics, Choice, and Society. New York: Cambridge University Press.
- Nussbaum, Martha C. 2019. *The Cosmopolitan Tradition: A Noble but Flawed Ideal*. Cambridge, MA: Harvard University Press.
- OECD. 2020a. Development Finance Data. Available online: <http://www.oecd.org/dac/financing-sustainable-development/development-finance-data/> (accessed on 16 September 2020).
- OECD. 2020b. Database on Immigrants in OECD Countries. Available online: https://stats.oecd.org/Index.aspx?DataSetCode=DIOC_CITIZEN_AGE# (accessed on 14 January 2020).
- OECD. 2020c. Income Inequality. Available online: <https://data.oecd.org/inequality/income-inequality.htm> (accessed on 14 January 2020).
- OECD. 2020d. Foreign Born Population. Available online: <https://data.oecd.org/migration/foreign-born-population.htm> (accessed on 5 October 2020).
- Peri, Giovanni. 2012. The Effect of Immigration on Productivity: Evidence from U.S. States. *Review of Economics and Statistics* 94: 348–58. [CrossRef]
- Peterson, E. Wesley F. 2017a. The Role of Population in Economic Growth. *SAGE Open* 1–15. [CrossRef]
- Peterson, E. Wesley F. 2017b. Is Economic Inequality Really a Problem? A Review of the Arguments. *Social Sciences* 6: 147. [CrossRef]
- Piketty, Thomas. 2014. *Capital in the 21st Century*. Cambridge, MA: Belknap Press of Harvard University Press.
- Pipher, Mary. 2003. *The Middle of Everywhere: Helping Refugees Enter the American Community*. New York: Mariner Books.
- Preston, Julia. 2020. Deportation Nation. *The New York Review of Books*, October 8.
- Preston, Kate, and Arthur Grimes. 2019. Migration, Gender, Wages and Wellbeing: Who Gains and in Which Ways? *Social Indicators Research* 144: 1415–52. [CrossRef]
- Rodrik, Dani. 2016. Is Global Equality the Enemy of National Equality? *Rivista di Politica Economica* 105: 2–33. [CrossRef]
- Rogers, Thomas. 2021. Welcome to Germany. *The New York Review of Books*, April 26.
- Romero, Simon. 2021. A Texas Sheriff’s Grim Task: Finding Bodies as Migrant Deaths Surge. *New York Times*, August 24.

- Sengupta, Somini. 2020. Heat, Smoke, and Covid are Battering Workers who Feed America. *New York Times*, August 25.
- Singer, Peter. 2009. *The Life You Can Save: Acting Now to End World Poverty*. New York: Random House.
- Smith, Michael D., and Mario S. Floro. 2020. Food Insecurity, Gender, and International Migration in Low- and Middle-Income Countries. *Food Policy* 91: 101837. [CrossRef]
- Stark, Oded, and J. Edward Taylor. 1989. Relative Deprivation and International Migration. *Demography* 26: 1–14. [CrossRef] [PubMed]
- Stark, Oded, and J. Edward Taylor. 1991. Migration Types: The Role of Relative Deprivation. *The Economic Journal* 101: 1163–78. [CrossRef]
- Steingrass, Walter. 2018. The Causal Impact of Migration on U.S. Trade: Evidence from Political Refugees. *Canadian Journal of Economics* 51: 1312–38. [CrossRef]
- Stiglitz, Joseph E. 2019. *People Power and Profits: Progressive Capitalism for an Age of Discontent*. New York: W. W. Norton and Company.
- What if Borders were Open? The \$78 Trillion Free Lunch. 2017. *The Economist*, July 15. Available online: <http://worldif.economist.com/article/13532/78-trillion-free-lunch> (accessed on 18 December 2019).
- Migration: A World of Walls. 2019. *The Economist*, November 16.
- Charlemagne: How to Mess Up Immigration. 2020a. *The Economist*, February 22.
- Tearing Up the Welcome Mat. 2020b. *The Economist*, August 1.
- Delayed Reaction. 2020c. *The Economist*, February 15.
- Temporary Toil. 2020d. *The Economist*, January 18.
- The Editorial Board. 2020. Trump’s Overhaul of Immigration is Worse than You Think. *The New York Times*, October 10.
- Theoharides, Caroline. 2018. Manila to Malaysia, Quezon to Qatar: International Migration and Its Effects on Origin-Country Human Capital. *Journal of Human Resources* 53: 1022–49. [CrossRef]
- Therborn, Goran. 2013. *The Killing Fields of Inequality*. Malden: Polity Press.
- Tuccio, Michele, Jackline Wahba, and Bachir Hamdouch. 2019. International Migration as a Driver of Political and Social Change: Evidence from Morocco. *Journal of Population Economics* 32: 1171–203. [CrossRef]
- UNDP. 2019. Human Development Report 2019: Beyond Income, Beyond Averages, Beyond Today—Inequalities in Human Development in the 21st Century. United Nations Development Program. Available online: <http://hdr.undp.org/sites/default/files/hdr2019.pdf> (accessed on 22 January 2020).
- UNHCR. 2020. Internally Displaced People. United Nations High Commissioner for Refugees. Available online: <https://www.unhcr.org/internally-displaced-people.html> (accessed on 3 February 2020).

- United Nations. 1951. Convention Related to the Status of Refugees. Office of the High Commissioner for Refugees. Available online: <https://www.ohchr.org/EN/ProfessionalInterest/Pages/StatusOfRefugees.aspx> (accessed on 3 February 2020).
- United Nations. 2020. *World Migration Report 2020*. Geneva: International Organization for Migration. Available online: https://www.un.org/sites/un2.un.org/files/wmr_2020.pdf (accessed on 3 February 2020).
- United States Census Bureau. 2020. International Data Base. Available online: <https://www.census.gov/data-tools/demo/idb/informationGateway.php> (accessed on 22 February 2020).
- Uprety, Dambar. 2019. Skilled Migration and Health Outcomes in Developing Countries. *International Journal of Health Economics and Management* 19: 1–14. [CrossRef]
- Verini, James. 2020. Deaths in the Desert. *The New York Times Magazine*, August 23.
- Wellman, Christopher Heath. 2019. Immigration. In *The Stanford Encyclopedia of Philosophy (Winter 2019 Edition)*. Available online: <https://plato.stanford.edu/archives/win2019/entries/immigration/> (accessed on 16 September 2020).
- Weyl, E. Glen. 2018. The Openness-Equality Trade-Off in Global Redistribution. *The Economic Journal* 128: 1–36. [CrossRef]
- Wolf, Andre. 2014. The Inconsistency of ‘Brain-Gain’: The Schooling-Migration Nexus Revisited. *Journal of Economic Development* 39: 35–49. [CrossRef]
- World Bank. 2020a. Migration and Remittances. World Bank Board Briefing. Available online: <https://www.worldbank.org/en/topic/labormarkets/brief/migration-and-remittances> (accessed on 16 September 2020).
- World Bank. 2020b. COVID-19 Crisis through a Migration Lens. Migration and Development Brief 32. Available online: <https://openknowledge.worldbank.org/bitstream/handle/10986/33634/COVID-19-Crisis-Through-a-Migration-Lens.pdf?sequence=5> (accessed on 15 September 2020).
- World Bank. 2021. World Development Indicators. Available online: <https://databank.worldbank.org/source/world-development-indicators> (accessed on 5 September 2021).
- Zuccotti, Carolina V., Harry B. G. Ganzeboom, and Ayse Guveli. 2017. Has Migration Been Beneficial for Migrants and their Children. *International Migration Review* 51: 97–126. [CrossRef]

© 2023 by the author. Licensee MDPI, Basel, Switzerland. This article is an open access article distributed under the terms and conditions of the Creative Commons Attribution (CC BY) license (<http://creativecommons.org/licenses/by/4.0/>).

Urban Planning and Heterodox Economics in the United States: Progressive Partners to Reduce Inequalities

Jordan Ayala and Clara Irazábal

1. Introduction: Inequality in the Urban Environment

The disciplines of heterodox economics and urban planning have advanced in parallel, oblivious to each other in their quest for reducing inequalities. A collaboration between these fields of study, we argue, would help create synergies and bring to realization their core emphases on social provisioning and social justice, respectively, making progress toward Sustainable Development Goal 10¹: reducing inequalities. Informed by orthodox economics, however, most current approaches to urban planning practice reproduce, and often even exacerbate, historical socio-economic and environmental injustices and inequalities. The level of inequality in the United States is unsustainable, both in its expression as uneven development between regions and within cities (Bieri 2012; Gotham 2014), and across racial-ethnic groups (Ayala and Robinson 2020; Darity et al. 2017), expanding disparities in economic mobility (Saez and Zucman 2014). In the United States, while net productivity has grown considerably in the past 40 years, worker wages have been nearly flat (EPI 2019). Saez and Zucman (2014) estimate that those earning over USD 1.5 million per year, the top one-tenth of a percent of earners, hold an amount of wealth comparable to the bottom 90% of income earners. Real wage stagnation and unemployment generate destabilizing inequalities that shape our cities.

As humanity becomes ever more urbanized, the urban environment is an ever more effective place in which to intervene to reduce inequalities. However, many of the urban policy interventions with the intended result of reducing inequalities are paradoxically perpetuating them. We discuss how this is the case in the context of US housing policy—particularly as it pertains to the role of underlying racial-ethnic and socio-spatial inequality in generating uneven housing outcomes—where the very policies claiming to be progressive expand existing

¹ Goal 10. Department of Economic and Social Affairs. Available online: <https://sdgs.un.org/goals/goal10> (accessed on 23 May 2021).

group-based and place-based inequalities (Dawkins 2020a). We explore ways to overcome this paradox by illustrating how heterodox economics and urban planning in practice could synergistically reinforce their respective disciplinary aspirations to speed up a transition to a more equitable world. In doing so, we point out how calls for a Jobs Guarantee program, derived from heterodox economics,² together with the support of locally based planning initiatives and a Homes Guarantee program, could bring us much further than we have come before toward reducing inequalities.

Both the Jobs Guarantee and Homes Guarantee are proposals necessarily established and funded at the federal level, which need grounding in local communities. Progressive planning around the globe has long experimented with local initiatives for equitable and sustainable cities (Angotti 2011; Angotti 2020; Goldsmith 2016; Irazábal 2009b; Irazábal 2018; Koh et al. 2020). The more of these local initiatives we can put to work together with Jobs Guarantee and Homes Guarantee programs, the more robust they would become with respect to mitigating inequalities in general, and the housing crisis in particular. This is where planning can contribute to the implementation of policies rooted in heterodox economics. Planning practitioners directly engaged in the transformation of the built environment can aid in proposal making and implementation in a manner sensitive to the various contexts of communities and places. While this exploration is situated in the political economy of the contemporary US, it is also relevant for communities outside of the US. Proposals from the rest of the world could inspire policy experimentation in the US, and proposals in the US can inform the rest of the world (see Angotti 2020; Ghosh 2014; Irazábal and Angotti 2017; Tcherneva 2013, 2020).

Securing the right to a home and a job, two basic economic rights with international precedents,³ are vital steps toward reaching SDG 10 targets. To achieve necessary levels of “income growth among the bottom 40% of the population” (SDG 10.1); “social, economic, and political inclusion of all” irrespective of social identity or status, including a reduction in the “proportion of people living below

² Three such heterodox approaches to the discipline of economics are (i) post-Keynesian; (ii) institutionalists (both approaches including economists working under the framework of modern monetary theory) who have consistently made calls for a greater role for fiscal policy to achieve full employment of workers who would take a job (Forstater 2006; Murray and Forstater 2013; Fullwiler 2007; Tcherneva 2020; Whalen 2019; Wray 2020); (iii) those developing stratification economics who call for a jobs guarantee and emphasize the program as a step toward addressing racial disparities in the US (Aja et al. 2018; Darity 2005; Darity et al. 2017; Darity and Mullen 2020).

³ In the Universal Declaration of Human Rights (U.S. G.P.O 1949), Article 23 calls for the right to employment with just and favorable working conditions and protections against unemployment, while Article 25 references the right to housing as a part of an adequate standard of living.

50 per cent of median income” (SDG 10.2); equal opportunity and a reduction of “inequalities of outcome” (SDG 10.3), and an increase of the worker share of GDP (SDG 10.4) will require a commitment to universal, legally enforceable economic rights. In the Millennium Development Goals, the right to employment was situated as an objective “for both its intrinsic and instrumental value,” not tied to the goal of economic growth as in SDG 8 (Frey and MacNaughton 2016). Still, both documents stop short of calling for the right to homes or jobs for all as a goal in itself. While particular nation-states, regions, and localities are more appropriate scales for planning and implementation, there still exists a need for the declaration of international human rights and their alignment with social and economic policies.

SDG 10.3 specifies the elimination of discrimination through laws, policies, and practices. Addressing inequality within cities also rests on actions that address group-based, socio-spatial advantages offered to dominant groups and those spaces they inhabit. Social identity-based discrimination, contemporary and historical, underlies the development of our cities. In the US, the isolation of white communities through private practices supported by federal policy has resulted in extensive racial-ethnic segregation (Gotham 2014). Housing policies continue to deliver advantages for whites built on the oppression of and extraction from Black, Latinx, and immigrant communities in cities across the US (Irazábal and Farhat 2008; Garay-Huaman and Irazábal 2020). Notably, SDG 10.4 recognizes the responsibility of nations to act to implement “fiscal, wage and social protection policies.” Jobs Guarantee and Homes Guarantee programs provide a meaningful step forward toward reducing inequality and securing universal economic rights.

2. Synergies between Heterodox Economics and Urban Planning: From Alienation to Allies for Reduced Inequalities

Conceptual frames from neoclassical economics such as profit and utility maximization, land and housing commodification, and externalities are incorporated and naturalized uncritically within the urban planning discourse and practice (Stein 2019; Foglesong 1986). Informed by conventional economics, current approaches to urban planning practice often fail to provide for just provisioning of urban environments and exacerbate historical socio-economic and environmental injustices and inequality (Angotti 2011; Angotti et al. 2020). Planning practitioners, directly engaged in the transformation of the built environment, all too often rely on or feel trapped around the logic of market-centric neoclassical economics. This state of affairs is both unsustainable and avoidable (Letelier and Irazábal 2018). Our cities hold untapped potential to help us solve some of the most enduring

challenges the world faces, such as eliminating poverty and reducing inequality, and some of the emerging challenges defining our era, such as climate change (IPCC Special Report 2018). Yet, paradoxically, the socio-economic and environmental policy approaches present in our cities often both compound and concentrate these challenges. These conditions are sustained to a great extent because of the type of planning and economics relied upon. This chapter problematizes the naturalized economic assumptions that support conventional planning and proposes that a purposeful integration of heterodox economic thinking into urban planning can help us overcome this paradox and inch us closer to the realization of the right to housing and the right to the city for all inhabitants.

Conventional planning too often operates as if neoclassical economics were the only game in town to provide the rationale and the policy instruments of urban interventions. Yet, economic assumptions are social constructions. There is nothing natural or immutable about them. Economics is a contested discipline with alternative traditions. While a dominant neoclassical economics approach is at the field's core, heterodox economics—including post-Keynesian, Marxian, original institutionalist, ecological, stratification economics, and feminist economics—hold a larger promise to assist planning in the delivery of the just city (Benería 1995; Fainstein 2013; Marcuse 2017). However, thus far, heterodox economics and urban planning have largely advanced in parallel, oblivious to each other in their quest for reducing inequality, resulting in their untapped potential synergies.

In the United States, urban planning's code of ethics states that its practitioners should promote the public interest, be conscious of the rights of others, particularly the most disenfranchised, and seek social justice (AICP Code of Ethics 2020). Heterodox approaches to economics, on their part, align with their intent of redefining economics away from "the science which studies human behavior as a relationship between ends and scarce means which have alternative uses" (Robbins 1948, p. 15) and toward a science of social provisioning (Gruchy 1987; Jo 2011).

The pervasive influence of conventional approaches to economics on planning practice is one important factor behind planning's failure to deliver on its promise. Instead of more just and sustainable cities, we see the escalation of urban injustice and unsustainability around the world, oftentimes brought about by planning interventions (Foglesong 1986; Irazábal 2009a, 2009c). We argue that informing urban planning with theoretical and empirical work from heterodox economics can provide a more historically grounded understanding of the root causes of problems faced by our cities and the institutions that sustain them, and more importantly, instruments and policy ideas to overcome them. We envision the opportunity to

create new policies situated in comprehensive approaches to reduce social, spatial, and economic inequality grounded both in heterodox economics' conception of social provisioning and planning's conception of the right to the city.

The purpose of this chapter is to highlight and interrogate the potential synergies between urban planning practice and a selective set of economic perspectives often under interrogated within planning and urban studies: post-Keynesian, stratification economics, and institutional economics. Critical urban studies scholars and geographers have built up an extensive literature critiquing conventional urban planning, urban and regional economic development, and neoliberal urbanism broadly (Peck et al. 2013; Brenner et al. 2017; Angotti et al. 2020). Urban political economy, critical urban studies, and critical geography broadly endeavor together in these critiques, while also presenting imperative policies, cases, and social movements to combat market-centric neoliberalism (Di Feliciano 2016) and deliver rights to the city (Brenner et al. 2017).

2.1. Heterodox Economics and Urban Planning: A Fruitful Partnership?

Both urban planning and heterodox economics face shortcomings on their own when put to the task of overcoming the challenges of contemporary cities. On their own, they have proven incapable of delivering policy solutions that lead to equitable and sustainable cities. Urban planning provides us with tools to make planning, policy, and project interventions for the betterment of cities and the people who inhabit them. However, too often, the normative stance found in much of the discipline's stated goal faces barriers to its full realization.⁴ Planning's conventional focus on local and regional scales, on project interventions, and over-reliance on market-based solutions often impede its ability to fully promote public interests. While explainable in the current institutional arrangements and ideological hegemony of neoliberalism, this narrow planning focus inhibits a deep problematization, let alone transformation of the structural dynamics and institutions that generate inequitable outcomes. Realities of identity-based discrimination, income and wealth inequality, environmental degradation, and the institutions underlying the perpetuation of these social ills frequently remain unexplored, untouched, and worst yet, reified in planning practice.

⁴ In the US context, the American Institute of Certified Planners (AICP) has established a code of ethics that centers on justice and sustainability.

Heterodox economics, with its emphasis on analyzing and proposing strategies to surpass political–economic forces generating inequalities across time and space, can aid in overcoming some of the shortcomings of planning practice. The potential is there, given that heterodox economics focuses on how society solves the “economic problem” of social provisioning—“the process of providing for the material well-being of society”—through its social relations of production, consumption, and distribution and the institutions through which we organize material provisioning (Heilbroner and Milberg 2012, p. 1; Forstater 2004). Heterodox economists share the endeavor to present an alternative to mainstream economic thought and practice of the 20th and 21st centuries. Heterodox economics, in its many forms, carries the common goal of explaining the social provisioning process (Lee and Cronin 2018). In this chapter, we emphasize the heterodox schools of economic thought termed post-Keynesian economics, original institutionalist economics, and stratification economics, all of which have made contributions to heterodox economics and rely on a long tradition of political economy.

On their part, however, various strands of heterodox economics often lack consideration of the urban scale and a theorization of the production of space and the urban environment broadly (Obeng-Odoom 2016; Sheppard 2016). Economic analysis often lacks a meaningful interrogation of spatial relationships and conditions. An important exception is critical or Marxian urban political economy, which has often shown up in academic planning work for the critique of planning and social theory of urban environments “as are,” but has not sufficiently informed planning “as it should be” nor has it bridged the gap to planning practice (Castells 1979; Harvey 2009). When focused on the urban scale, there is a tendency in heterodox economics to focus on critique over proposal making when considering policy changes or institutional adjustments. Traditionally, heterodox economics primarily focuses on theoretical understandings of structural processes and institutional forces. Nonetheless, planning’s focus on real places and communities and on proposal making can provide heterodox economics with some much-needed grounding.

2.2. The Promise of Partnering Urban Planning and Heterodox Economics

Planning practice is hamstrung by its reliance on conventional approaches to economic theory and practice, often referred to as neoclassical economics. The main building blocks of the theoretical edifice of neoclassical economics are choice (preferences), rational individual agents (consumers maximize utility and firms maximize profits), competition (supply, demand, and the price system), equilibrium, and scarcity (Glaeser 2008). The combination of these elements generates theoretical

and empirical social constructs that neither capture the complexity of social reality nor generate analyses and policy prescriptions outside of those with the market as a catch-all solution to economic problems.

Those working from the perspective of neoclassical economics are often unable to generate a compelling understanding of urban environments or a way of acting on them capable of addressing historical injustices and generating effective policies to redress the uneven and unsustainable developmental status quo (O'Connor 1989). One salient example of this is urban economics' over reliance on the concept of spatial equilibrium. Glaeser (2008, pp. 2–3) states: “[t]he economic approach to cities starts with the assumption that locations are chosen and that those choices are not entirely irrational,” and this process generates, he adds, “the most important concept in urban or regional economics: the spatial equilibrium.” Spatial equilibrium is represented mathematically as an objective function to be maximized, subject to some restrictions. Using the concept, Glaeser (2008, p. 165) arrives at the conclusion that “urban poverty is evidence of urban strength . . . cities are poor because poor people choose cities, not because cities make people poor.” This mathematical–deductivist method is not only unrealistic, but it has hardly any explanatory power (Lawson 2003; Sheppard 2016). At its worse, it can have perverse effects. Reliance on approaches based on neoclassical economics leads planning practitioners to focus almost exclusively on market-based policy interventions—placing faith in the market to generate socially optimal equilibrium outcomes at the urban scale.

From a planning standpoint, there are many worrisome implications that emerge from relying upon neoclassical economics. Given the ubiquitous influence of the notion of scarcity, we selectively focus on it briefly. As mentioned before, the aim of neoclassical economics is to determine the optimal allocation of scarce resources. The assumption is that, given humans' unlimited wants and needs and the limited number of available resources, it is impossible to fulfill all our material demands. Thus, scarce resources must be allocated optimally. There are, however, two major problems of contemporary economies conceived through the lens of scarcity. On the one hand, the current system of production and consumption is causing ecological devastation (IPCC Special Report 2018); on the other, the great majority of the world's population has not reached a decent level of material provision, with uneven outcomes across groups and places.

In contrast to the scarcity approach, heterodox economics concerns the study of the social provisioning process—“an emergent system of socio-economics activities that generate an array of surplus goods and services needed to sustain households and their social relationships, and thus society as a whole” (Lee and Cronin 2018,

p. 36). It is a pluralistic and often interdisciplinary approach to the study of economics. A social provisioning approach focuses on group-based analysis and collective action instead of the methodological individualism found in neoclassical economics. This approach directly relates to the shift among critical urban scholars since the 1960s, moving away from the supposed scientific rigor of a positivist methodology that avoided normative statements in favor of developing scholarship that explored normative concepts of justice and equity (Fainstein 2013). Neoclassical economics embraces an objectivity pretense, whereby “values are obscured by the attempt to be a value-free science” (Dugger 1996, p. 32).

Defining economics as the science of the social provisioning process has major implications for theorizing both economics and planning, and for devising planning interventions. Reconciling planning’s divergent priorities would not be conceived as forced trade-offs between economic growth, ecological sustainability, and social justice, as it is commonly perceived (Campbell 1996). Instead, it would open up a different paradigm that can be built on the grounds of pluralist heterodox economics, from which different strategies for reducing inequality in cities can be comprehensively pursued.

In the often-cited article on the “planner’s triangle”, economic, environmental, and equity planning objectives are theorized under the notion of conflicting, although potentially complementary, interests (Campbell 1996). There is competition between economic–environmental, economic–equity, and environmental–equity goals. While Campbell attempts to explain the sometimes complementary nature of these interests, underlying these potential conflicts is a notion of competition, which obscures what would be possible if planners were to incorporate the notion of social provisioning. At the core of what Campbell calls the “divergent priorities of planning” are not just the conflictual relations of different disciplinary languages (e.g., environmental, economic, and political) and the divergent planning objectives emanating from them. Instead, there is a deeper ideological challenge that goes beyond interdisciplinary misunderstandings. It is an epistemological and ontological stand that extols a restrictive notion of competition as a fundamental feature of human relations. However, the “fiscal constraints” limiting the ability of planners to pursue their disciplinary goals gain nuance and can be rethought in light of the work of heterodox economics (Campbell 1996; Kelton 2020; Wray 2020). Planners do not need to divide themselves between the competing interests within the “planner’s triangle” in the manner described by Campbell.

Heterodox economics and urban planning have a shared concern for providing the necessary goods and services that allow social reproduction and the well-being

of households, societies, and cities. The social provisioning approach provides the umbrella to connect both disciplines, and to critically deconstruct the developmental status quo, uncover naturalized developmental myths that sustain it, and propose progressive urban development alternatives that could improve the living conditions of marginalized urban communities and attain equity and sustainability (Irazábal 2021; Metawala et al. 2021; Todorova 2013). A refocus of the “economics” of urban planning away from market-centric foundations toward the more holistic approaches found in heterodox economics and the unifying concept of social provisioning can support planners’ efforts to address socio-spatial inequalities present in our cities and neighborhoods.

Below, we focus our discussion on housing because of its central place in both heterodox economics and urban planning. Both disciplines emphasize the human right to housing as a central aspect of promoting healthy cities. Housing is a material requirement for sustaining socially defined acceptable standards of living, and it is a key goal of urban planning to address housing needs. We also focus on housing because, in US urban environments, there is a direct connection between place-based and group-based inequality in the form of low-wealth, low-income, immigrant, and racialized communities chronically lacking access to safe and affordable housing. We consider housing policy in the context of the wider needs for community development (e.g., food access, health services, employment, commercial development, nearby amenities, access to credit, etc.) that support local residents.

3. What Is Required for the Equitable Provision of Housing as a Human Right?

Our current planning and economic institutions create and maintain qualitative and quantitative housing deficits (Cohen 2019; Timmer et al. 1994). Even when decision makers act progressively with the intent of addressing the housing deficit, within the current paradigm they can only partially address its symptoms (i.e., add a few affordable housing units here and there, usually for the upper-income and middle-income classes and little, if anything, for the income- and wealth-poor groups). The trend toward a greater share of high-skill jobs (Rodríguez-Pose and Storper 2019) and high-end housing construction in urban centers (Joint Center for Housing Studies 2019, 2020) makes the status quo more unsustainable. Pushing low-income housing cost-burdened residents out of urban centers generates a dearth of workers required to keep cities functioning, longer commute times, and greater burdens on infrastructure and the environment, among several other negative effects. Addressing these symptoms, planners and policymakers have little room to maneuver before upsetting market principles and the powerful stakeholders that

benefit from them. Thus, what is implemented to create affordable housing under these conditions is often too little, too late. Not only has this maintained the status quo, but it has widened the gap between the haves and have-nots, compounding the crisis.

In order to avoid these spiraling down dynamics, we would need to move beyond considering housing as a commodity and exclusively material provisioning process and redress the institutional forces preventing the implementation of policies to realize in tandem the right to safe and affordable housing and the right to the city for all urban residents. Envisioning the provisioning of these rights will require that we change our urban economics paradigm, scaling up and broadening the scope of housing policy to encompass systemic investments in people and places.

For example, supported by urban planning and heterodox economics, a Homes Guarantee program, coupled with policy proposals for a Jobs Guarantee program, can move us toward these goals. A Homes Guarantee that centers the right to housing through social housing provision, support for municipalities to house displaced peoples, regulation and policing of developments and landlords, greater control over housing outcomes to tenants facing housing insecurity, etc. shows promise when coupled with efforts to reduce growing income and wealth inequality (Austin 2019; Di Feliciano 2016; People's Action 2019). A Job Guarantee program would further support the equitable and sustainable development of communities that have faced disinvestment (Wisman 2010). During the COVID-19 pandemic-induced economic crisis, in June 2020, nearly one-third of workers filed for unemployment benefits. At the same time, nearly one-third of households in the US were unable to make rent payments. In times of crisis and economic upheaval, a Jobs Guarantee program would provide wages and economic stabilization, allowing families to stay in their homes and shelter in place during a public health crisis.

Within a Jobs Guarantee program, unemployed and underemployed workers would be given the opportunity to earn a living wage with benefits, which the existing market will not or cannot provide without requirements for minimum education level or skills, means testing, or time limits (Tcherneva 2020). Above and beyond its role in generating jobs, the Jobs Guarantee program places participation over alienation as an automatic stabilizer during swings in the business cycle. The price anchor of an employer of last resort program replaces the role of unemployment to generate economic and price stability (Wray 2020). Labor and housing policy should aim at providing for the rights to employment and housing in tandem.

Even when the official unemployment rate is below the problematic conventional conception of the “natural rate of unemployment” in the US today,⁵ working-class wage growth has been stalled for 40 years (EPI 2019; CRS 2019). A Jobs Guarantee program would disproportionately benefit those who have been the least successful at securing work that pays a living wage, provides a benefits package, and affords the opportunity for economic mobility. The program can be designed in such a way so as to provide residents of marginalized places with on-the-job training and jobs that meet the skills and needs of local residents, providing public service employment to the community in which they live and doing so while generating environmentally sustainable cities (Forstater 2006).

A Homes Guarantee program would entail durable investments to support those lacking the right to housing, providing safe, healthy, accessible, and affordable homes for all. Informed by existing social housing programs in other countries, calls for a Homes Guarantee program propose congressional legislation to build 12 million homes for those facing an extreme housing cost burden, paying over 50% of their income to rent (People’s Action 2019). This is accomplished through a public option for housing, social housing, owned and operated by municipal governments and a USD 200 billion Community Control and Anti-Displacement Fund to give grants to local governments to re-house displaced people, regulate exploitative developers, and provide communities with the resources necessary to build alternative ownership models, such as resident-run co-ops and community land trusts (CLTs) that support true community control. (People’s Action 2019, p. 14)

This would entail the construction of new housing units and reinvestment in existing public housing.

Proposed benefits of a Homes Guarantee program include reduced hospital and psychiatric admissions and incarceration rates, more mixed-income residential communities, environmentally sustainable development and decarbonization, increased social cohesion in neighborhoods, accessible workforce development and employment opportunities, healthier homes, and displacement prevention. These provisions would “improve education, health, and employment prospects for tens of millions of people” (People’s Action 2019, p. 19). These programs are an investment in our people and communities, akin to those created in the United States in the post-WWII period. Economic rights are also at the center of the enduring struggle

⁵ The natural rate of unemployment or non-accelerating inflation rate of unemployment (NAIRU) makes a positive rate of unemployment a central policy goal, codifying the severe social costs of unemployment (Galbraith 1997).

for civil rights in the US—the March on Washington for Jobs and Freedom, Sadie Alexander’s calls for economic justice through a Jobs Guarantee (Banks 2005),⁶ Universal Declaration of Human Rights (U.S. G.P.O 1949), and Franklin Delano Roosevelt’s proposed Second Economic Bill of Rights, all of which call for the recognition of legally enforceable economic rights to employment and shelter.

Rent control, zoning regulations (e.g., city-wide independent central zoning), a vacant land and building tax, and square footage tax would be effective insofar as these policies reduce market power and speculative behavior and can create socially beneficial incentives to develop affordable housing. The federal government would tax and regulate so as to reduce speculation and price-setting behavior of powerful real estate development interests rather than to raise revenue to subsidize the building or renovation of units for affordable housing (Kelton 2020; Wray 2020).

At the macroeconomic level, we have seen persistent levels of inflation at 2%, although we still find primary sectors that are driving up costs in the areas of healthcare, energy and transportation, higher education, and housing which are felt widely across the economy. The role of housing in driving underlying pressures, especially on low-income and people of color residents, takes on even greater importance when we look behind the veil of aggregate inflation rates.

As an “aggregate” problem, addressing failures of past housing policies requires a federal-level intervention for two reasons. First, local and state governments cannot be expected to generate sufficient funding for large-scale changes in the provision of community development through housing and employment. One of the components driving inflationary pressures in the macroeconomy is the shortage of productive capacity, which in this case refers to a shortage of viable housing units of particular types and in particular places. Contrary to the dominant theories of labor markets in economics, people are not perfectly mobile pieces of the production process who can move to other cities to chase lower housing prices. People are tied to communities, jobs, and schools in particular places. Thus, solving the housing crisis involves addressing the quantitative and qualitative housing gap in a way that is responsive to local contexts and needs, including local and regional ecological capacity, culturally appropriate housing types and modes of housing tenure, and housing conditions. Second, in addition to the context-specific demand for housing units, localities must contend with various forms of market power, such as zoning laws, the capture of local

⁶ Sadie Tanner Mossell Alexander was the first African American economist in the United States (see Banks 2005).

political activities, monopsony or employer influence in labor markets, the absence of rent control, and tax-incentive power allowing powerful stakeholders to affect what the market will bear. Taxing, regulation, and changes in national standards for housing policy would ensure an equitable path forward from the housing crisis and the blunders in housing policy in the United States throughout the history of the county.

It is within the capacity of the United States to provide decent housing for all. The US federal government is not facing financial or material scarcity with respect to housing, as the public is led to believe, but institutional and political constraints. The federal budget of a sovereign monetary nation such as the US does not operate in the same manner as a state, local, or household budget despite the prevalent myth that this is the case (Kelton 2020; Murray and Forstater 2013; Murray and Forstater 2018; Wray 2020). If a state, municipality, or household spends more than it has, it accrues debt. This is not a sustainable way of managing affairs, and if left unattended, can lead to crippling financial instability and a private debt crisis (e.g., the Great Recession). Conversely, the US federal government issues its own currency or unit of account, for example, the US dollar, and the constraint of federal spending under this condition comes in the form of real, physical, or operational constraints, not financial constraints. Per our example above, the federal government would tax and regulate to incentivize socially beneficial behavior throughout the economic system, i.e., reduce speculation and price-setting behavior of powerful interests, rather than raise revenue to fund federal programs. This understanding of monetary, credit, and debt relations is a key contribution of heterodox economics to urban planning in general, and to ameliorating the housing crisis in particular. It means that, given the political will and proper management of real resource constraints, the US has all the financial resources necessary to address the housing deficit in the short run and plan for housing provisions to prevent a crisis situation from occurring again in the future.

Across the globe, destabilizing levels of inequality exist in terms of access to core economic rights. From the Universal Declaration of Human Rights and the New Deal era in the US to the Civil Rights movement of the 1960s and today's Poor People's Campaign and Movement for Black Lives in the US, there have been many efforts to provide legally enforceable economic rights as a precondition for civil rights. Aside from the moral content of arguments in support of the economic rights to a safe, affordable home and meaningful, living-wage employment (Dawkins 2021), these formal declarations in the US and across the international community demonstrate public recognition of the right to housing and employment. The degree

of monetary sovereignty present in a national economy determines the degree to which public money can be placed in public services to deliver the core economic rights to employment and housing (Ndongo Samba 2020; Tymoigne 2020). In fact, national governments are responsible for the current exclusionary and predatory social contract that targets a positive rate of unemployment.⁷ There is no natural rate of homelessness, and there is no natural rate of exclusion from the social provisioning process via unemployment (Alessandrini 2013; Tcherneva 2020).

Group-Based and Place-Based Inequalities

SDG 10.3 and 10.7 emphasize the importance of eliminating social identity-based discrimination and ensuring the “responsible migration and mobility of people” through the promotion of inequality-reducing legislation, policies, and action. Race–ethnicity, economic security (i.e., employment, income, and wealth), and housing outcomes are deeply intertwined in the US. The positions people occupy in the system of stratification due to traits beyond their control (ascriptive social-identity-based inequality) and the many structural forces that underlie persistent group-based inequalities are tied to housing outcomes (Ellen and Steil 2019; Taylor 2019). The 2019 Harvard Joint Center for Housing Studies report cites growing income inequality and diversity of housing needs from different growing demographic groups as key drivers of housing outcomes in the US. The effects of mass incarceration, growing income and wealth inequality, unemployment and underemployment, exposure to environmental risks, and unsafe and unhealthy housing are not shared evenly between groups (Bullard 2019; Gotham 2014; Taylor 2019; Lowe et al. 2020). Growing inequalities in housing, along with fewer job opportunities for the working-age population, persistently high unemployment and underemployment in many neighborhoods, and declining per capita income for urban core residents, hamper the ability of low-income, low-wealth, and disproportionately Black, Latinx, and immigrant residents to access safe, healthy, and affordable housing. High-wage and high-skill jobs are on the rise in urban centers across the US, with high-skilled migration coinciding with a decrease in low-income and low-skill jobs. These structural and institutional arrangements work to maintain and expand housing inequality in the United States, whether or not public policy and zoning changes provide greater flexibility for the market-based construction of more housing (Rodríguez-Pose and Storper 2019), or with any narrow housing

⁷ The natural or non-accelerating inflation rate of unemployment (NAIRU).

intervention, even one as bold as the construction of 12 million social housing units across the US, as advocated for by People's Action (2019).

Several housing-specific historical and institutional factors also curb the ability to address housing challenges, among which are discriminatory real estate industry structures and actors (McDermott and Winslow 2019), financial exclusion and exploitation (Desmond and Wilmers 2019; Taylor 2019), racialized conceptions of taxpayer status (Walsh 2018, and the reification of private property rights and market-based solutions to housing need (Dawkins 2020b, 2021). In cities across the United States, the institutional landscape includes a deficient level of policy focused on affordable housing; a lack of sufficient local, state, and federal funding sources; weak or no affordability criteria in existing housing programs; a failure to preserve existing affordable units; favoring high-end single-family and multi-family housing; movement away from public housing and little non-profit housing development; and a sordid history and persistence of discrimination in housing and urban development (Dawkins and Kim 2022; Gotham 2014; Taylor 2019).

In this chapter, we affirm that a home is a human right that can and should be guaranteed through the construction of new housing and renovation of existing housing stock. We stress that housing interventions alone, however, are not sufficient to ameliorate group- and place-based inequalities in the United States. Public intervention to construct additional units and progressive regulatory changes around housing—for example, the 12 million social housing units called for in recent proposals for a Homes Guarantee program, along with the proposed steps for resident control and decommodification of housing (Homes for All Act 2019; People's Action 2019)—is arguably insufficient in light of the underlying, systemic inequality in the United States.⁸

Economic inequality lies behind the housing crisis facing the US, and without action to address its many facets, there is little hope of solving this crisis (Timmer et al. 1994). Durable housing policy interventions would need to reflect the complex structures of institutionalized advantage and disadvantage across social groups in our cities and regions (Lung-Amam and Dawkins 2020; Rugh et al. 2015). Underlying dominant urban policy perspectives across the US, the spatial equilibrium models of the housing-as-opportunity school in urban economics fail to incorporate these aspects (Rodríguez-Pose and Storper 2019). Conventional urban economics—while

⁸ Notably, proposals for a Homes Guarantee program include reparations for decedents of US chattel slavery as part of comprehensive economic reforms within the Homes Guarantee (People's Action 2019).

not fully implemented in the urban and regional landscape of the US over the past 50 years—suggests deregulation for the market-based construction of housing and trickle-down filtering of housing stock as a means for solving the affordability crisis (Rodríguez-Pose and Storper 2019). However, it is suggested that “undifferentiated aggregate supply policies do essentially nothing to abate the underlying structural causes of the housing crisis” (Rodríguez-Pose and Storper 2019, p. 19). The current mix of neoliberal housing policy and short-term place-based interventions is not fit for the purpose of reducing inequality in our cities, and a path forward to realize housing as a human right would require comprehensive efforts to address economic inequality.

4. How Do We Pay for It? Federally Funded Programs to Address the Housing Crisis in the United States

Despite the far-reaching and cumulative impacts of a Homes or Jobs Guarantee program, which complicate calculating cost savings and overall financial costs associated with these investments in housing and community needs, several estimates demonstrate the feasibility of such programs in the United States (Murray and Forstater 2018). Paul et al. (2018) estimate the cost of a federal Job Guarantee program at USD 543 billion, just three percent of GDP, for the employment of an estimated 9.7 million full-time workers. Wray et al. (2018) estimate the need for a public service employment program to employ an estimated 11 to 16 million people (using US Bureau of Labor Statistics Q3 and Q4 2017 estimates of the un- and underemployed). Macroeconomic simulations of the program’s effects find that the program will have “substantial macroeconomic benefits while also having a modest direct cost and much smaller net budgetary impact,” employing 11 to 16 million workers with an annual net budgetary effect of between 0.83 and 1.62 percent of GDP (Wray et al. 2018). The social (and economic) costs of homelessness, unsafe and unhealthy housing, and related community needs such as those surrounding involuntary unemployment and underemployment far outweigh the costs of addressing these needs through durable investments (Hartman 1998; Tcherneva 2017).

Job Guarantee proposals are a compelling case to reference for answering questions about our capacity to address housing needs for several reasons, primarily because such programs would address housing as more than shelter, linking them to supportive habitats and socio-economic structures underlying inequality in housing outcomes. There are many links between producing safe and healthy dwellings and communities and policies related to Jobs Guarantee programs, such as the

potential for public service employment to support the renovation, construction, “greening,” and maintenance of housing and habitat (Forstater 2006; Tcherneva 2017; Wray et al. 2018), including the work of addressing environmental hazards that disproportionately plague low-wealth and racialized communities, e.g., lead-loaded soil and financial exclusion (Hendricks and Van Zandt 2021). Second, just as labor force indicators show the recent recession recovery period, ongoing for many groups, to be longer and deeper than any downturn and recovery since the Great Depression (Ayala and Robinson 2020), so has been the downturn in housing.

The 2019 and 2020 updates of Harvard’s Joint Center for Housing Studies report on the State of the Nation’s Housing and the State of the Nation’s Rental Housing, respectively, highlight a continuing deficit in the supply of housing for low- and middle-income households. Housing construction, in overall shortage, has been serving the higher end of the market in recent years. The reports cite labor shortages as a possible explanation, among others, for the short supply of housing. With recent developments in the US, many urban neighborhoods are becoming areas of stark contrasts. Even with the proximity to job centers in urban areas (i.e., they are located near central business districts), the qualitative nature of jobs available, services, and housing in recent decades often excludes long-time residents. Alongside urban core assets and employment centers, there often exists concentrated homelessness and a concentration of households with incomes below the federal poverty level. This concentration of income- and wealth-poverty leaves communities concentrated in many segregated urban core neighborhoods in the US more vulnerable to local and national economic downturns and increases housing instability and unhealthy housing conditions. The uneven impact of the Great Recession and sub-prime lending crisis on racialized groups shows this (Rugh et al. 2015).

5. Conclusions

The initial motivation of this study was a shared frustration by heterodox economists and urban planning scholars (the authors) about the failures of their respective disciplines to deliver in practice their goals for equitable and sustainable cities, and intrigue about the similarities of aims and dissimilarities of means may bring to their potential collaboration. We end the study with heightened hopes for what these hitherto estranged bedfellows can offer to progressive urban politics by synergistically working together.

Current planning interventions backed by conventional market-based economics, even at their best, do not deliver the basic material requirements of social provisioning (e.g., housing) at the scale necessary to solve existing and accruing

deficits, and at their worst, expand socio-spatial inequalities, as they poorly attempt such provisioning. The patterns of wealth disparities between groups and places, residential isolation of marginalized groups, and concentrated unemployment and underemployment among residents of many urban neighborhoods highlight the significance of systemic discrimination and its impacts on the ability of individuals and groups to adequately provide for themselves. Not only are the private, market-oriented strategies depended upon in ever-greater degrees since the late 1970s woefully inadequate to redress these inequalities, but they also exacerbate them.

More fundamentally, current planning interventions backed by conventional economics *cannot* in essence, and in principle, deliver planning's promise of the right to housing and to the city and reducing inequalities. They superficially focus on providing "band-aids" to the symptoms of urban problems they identify, e.g., providing a few units of affordable housing that merely make a symbolic dent, if at all, to the housing crisis. These operations can only sustain the system and maintain the status quo, however precariously and at increasing human, social, and environmental costs. Such planning interventions are consciously or unconsciously blinded to the root causes of such problems, i.e., joblessness, poverty, wealth inequality, marginalization of racialized and income- and wealth-poor peoples, and the treatment of land and housing as commodities.

Legal and enforceable economic rights are essential to provide economic security and stability, and federal Homes and Jobs Guarantee programs provide two reinforcing and inseparable paths to economic security. The sustainable and equitable implementation of Homes Guarantee and Jobs Guarantee programs has the potential to generate a true and lasting right to housing and to the city, building on the synergies of urban planning practice and heterodox economics. Urban planning provides insights into the material, organizational, design, and regulatory structures requiring adjustments for the provision of a right to housing. Heterodox economics illuminates the existing logic and institutions that aid and impede institutional adjustments and help retool them toward the provision of the right to housing and addressing the causes of community distress. The strategic, synergic collaboration between these two disciplines can transform our cities into spaces that effectively serve the public interest and help attain equitable and sustainable cities.

We need a system for the equitable provision of housing to generate investments in communities and within groups facing housing needs and instability. This is within our capacity. We argue that redirecting planning's attention to heterodox economics can redeem it from its lacking service to the market—at the cost of public interests, equity, and sustainability—and realign its energy and imagination with its

ethical mandates. Conversely, purposefully cultivated attention to urban planning by heterodox economists can provide them with the necessary grounding in existing communities and places that their theoretical and methodological schemes have often sorely lacked. Given the promising findings of this initial exploration, further studies of and experimentation with the synergies between urban planning and heterodox economics are fruitful grounds for future research and practice aimed at reducing inequalities.

Author Contributions: This research is a collaboration between J.A., Research Associate with the OSUN Economic Democracy Initiative at Bard College, USA, and C.I., Director, Urban Studies and Planning Program at University of Maryland-College Park, USA. Conceptualization, J.A., and C.I.; methodology, J.A., and C.I.; formal analysis, J.A.; writing—original draft preparation, J.A.; writing—review and editing, C.I. and J.A.; project administration, J.A. All authors have read and agreed to the published version of the manuscript.

Funding: This research received no external funding.

Acknowledgments: We would like to acknowledge the contribution to the initial stages of conceptualization and writing of this work by Alejandro Garay and Ely Melchoir Fair, PhD Candidate and Student in Economics, respectively, University of Missouri, Kansas City.

Conflicts of Interest: The authors declare no conflict of interest.

References

- AICP Code of Ethics. 2020. *AICP Code of Ethics and Professional Conduct*. Chicago: American Planning Association, Available online: <https://www.planning.org/ethics/ethicscode/> (accessed on 2 March 2020).
- Aja, Alan, Daniel Bustillo, William Darity, and Darrick Hamilton. 2018. Jobs Instead of Austerity: A Bold Policy Proposal for Economic Justice. *Social Research* 80: 781–94.
- Alessandrini, Donatella. 2013. A Social Provisioning Employer of Last Resort: Post-Keynesianism Meets Feminist Economics. *World Review of Political Economy* 4: 230–54.
- Angotti, Thomas. 2011. *New York for Sale Community Planning Confronts Global Real Estate*. Cambridge: The MIT Press.
- Angotti, Thomas. 2020. Introduction to Transformative Planning. In *Transformative Planning: Radical Alternatives to Neoliberal Urbanism*. Edited by Tom Angotti. Montréal: Black Rose Books, pp. 4–10.
- Angotti, Tom, Peter Marcuse, Dick Platkin, Natalie Bump Vena, and Janet Garren. 2020. Climate Justice, Environment, Sustainability, Resilience. In *Transformative Planning: Radical Alternatives to Neoliberal Urbanism*. Edited by Tom Angotti. Montréal: Black Rose Books, pp. 101–27.
- Austin, Algenon. 2019. Affordable Housing for All. Available online: <https://www.demos.org/policy-briefs/affordable-housing-all> (accessed on 12 September 2019).

- Ayala, Jordan, and Matthew Robinson. 2020. *Labor Policy Considering Stratification: An Alternative Framing for Employment Disparities*. Working Paper. Granville: Global Institute for Sustainable Prosperity.
- Banks, Nina. 2005. Black Women and Racial Advancement: The Economics of Sadie Tanner Mossell Alexander. *The Review of Black Political Economy* 33: 9–24. [CrossRef]
- Benería, Lourdes. 1995. Toward a greater integration of gender in economics. *World Development* 23: 1839–50. [CrossRef]
- Bieri, David S. 2012. Form Follows Function: On the Interaction between Real Estate Finance and Urban Spatial Structure. Available online: <https://ssrn.com/abstract=2144200> (accessed on 11 November 2019).
- Brenner, Neil, Peter Marcuse, and Margit Mayer. 2017. *Cities for People, Not for Profit: Critical Urban Theory and the Right to the City*. London: Routledge.
- Bullard, Robert D. 2019. *Dumping in Dixie: Race, Class and Environmental Quality*. London: Routledge.
- Campbell, Scott. 1996. Green Cities, Growing Cities, Just Cities? Urban Planning and the Contradictions of Sustainable Development. *Classic Readings in Urban Planning* 62: 308–26. [CrossRef]
- Castells, Manuel. 1979. *The Urban Question: A Marxist Approach*. Cambridge: MIT Press.
- Cohen, Lizabeth. 2019. Only Washington Can Solve the Nation’s Housing Crisis. *The New York Times*, July 10.
- Congressional Research Service (CRS). 2019. *Real Wage Trends, 1979 to 2018*. Washington, DC: U.S. Congress.
- Darity, William. 2005. Stratification economics: The role of intergroup inequality. *Journal of Economics and Finance* 29: 144–53. [CrossRef]
- Darity, William A., Jr., and A. Kirsten Mullen. 2020. *From Here to Equality: Reparations for Black Americans in the Twenty-First Century*. Chapel Hill: The University of North Carolina Press.
- Darity, William A., Jr., Darrick Hamilton, Patrick L. Mason, Gregory N. Price, Alberto Davila, Marie T. Mora, and Sue Stockly. 2017. *Stratification Economics: A General Theory of Intergroup Inequality*. Cambridge: Cambridge University Press.
- Dawkins, Casey. 2020a. Realizing Housing Justice through Comprehensive Housing Policy Reform. *International Journal of Urban Sciences* 25: 266–81. [CrossRef]
- Dawkins, Casey. 2020b. The Right to Housing in an Ownership Society. *Housing and Society* 47: 81–102. [CrossRef]
- Dawkins, Casey. 2021. *Just Housing: The Moral Foundations of American Housing Policy*. Cambridge: MIT Press.
- Dawkins, Casey, and Jinyhup Kim. 2022. Smart Growth and Housing Choice. In *Handbook on Smart Growth*. Northampton: Edward Elgar.
- Desmond, Matthew, and Nathan Wilmers. 2019. Do the Poor Pay More for Housing? Exploitation, Profit, and Risk in Rental Markets. *American Journal of Sociology* 124: 1090–124. [CrossRef]

- Di Felicianantonio, Cesare. 2016. Social movements and alternative Housing Models: Practicing the “Politics of Possibilities” in Spain. *Housing, Theory and Society* 34: 38–56. [CrossRef]
- Dugger, William. 1996. Redefining Economics: From Market Allocation to Social Provisioning. In *Political Economy for the 21st Century: Contemporary Views on the Trend of Economics*. Edited by Charles Whalen and Hyman P. Minsky. New York: Routledge, pp. 31–44.
- Ellen, Ingrid Gould, and Justin Steil. 2019. *The Dream Revisited: Contemporary Debates about Housing, Segregation, and Opportunity in the Twenty-First Century*. New York: Columbia University Press.
- Economic Policy Institute (EPI). 2019. Nominal Wage Tracker. Available online: <https://www.epi.org/minimum-wage-tracker/> (accessed on 6 January 2020).
- Fainstein, Susan S. 2013. The just city. *International Journal of Urban Sciences* 18: 1–18. [CrossRef]
- Foglesong, Richard E. 1986. *Planning the Capitalist City: The Colonial Era to the 1920s*. Princeton: Princeton University Press.
- Forstater, Mathew. 2004. Envisioning Provisioning: Adolph Lowe and Heilbroner’s Wordly Philosophy. *Social Research* 71: 399–418.
- Forstater, Mathew. 2006. Green Jobs: Public Service Employment and Environmental Sustainability. *Challenge* 49: 58–72. [CrossRef]
- Frey, Diane F., and Gillian MacNaughton. 2016. A Human Rights Lens on Full Employment and Decent Work in the 2030 Sustainable Development Agenda. *SAGE Open* 6: 2158244016649580. [CrossRef]
- Fullwiler, Scott T. 2007. Macroeconomic Stabilization through an Employer of Last Resort. *Journal of Economic Issues* 41: 93–134. [CrossRef]
- Galbraith, James K. 1997. Time to Ditch the NAIRU. *Journal of Economic Perspectives* 11: 93–108. [CrossRef]
- Garay-Huaman, Alejandro, and Clara Irazábal. 2020. Latinos in Kansas City: The Political Economy of Placemaking. *Journal of Planning Literature* 22: 207–28. [CrossRef]
- Ghosh, Jayati. 2014. Can Employment Schemes Work? The Case of the Rural Employment Guarantee in India. In *Contributions to Economic Theory, Policy Development and Finance: Essays in Honor of Jan A. Kregel*. Edited by Dimitri Papadimitriou and Jan Kregel. Houndmills, Basingstoke and Hampshire: Palgrave Macmillan.
- Glaeser, Edward Ludwig. 2008. *Cities, Agglomeration, and Spatial Equilibrium*. Oxford: Oxford University Press.
- Goldsmith, William. 2016. *Saving Our Cities: A Progressive Plan to Transform Urban America*. Ithaca: Cornell University Press.
- Gotham, Kevin Fox. 2014. *Race, Real Estate, and Uneven Development: The Kansas City Experience, 1900–2010*. Albany: State University of New York Press.
- Gruchy, Alan. 1987. *The Reconstruction of Economics: An Analysis of the Fundamentals of Institutional Economics*. New York: Greenwood.

- Hartman, Chester. 1998. The Case for a Right to Housing. *Housing Policy Debate* 9: 223–46. [CrossRef]
- Harvey, David. 2009. *Social Justice and the City*. Athens: University of Georgia Press.
- Heilbroner, Robert, and William Milberg. 2012. *The Making of Economic Society*. Boston: Pearson.
- Hendricks, Marccus D., and Shannon Van Zandt. 2021. Unequal Protection Revisited: Planning for Environmental Justice, Hazard Vulnerability, & Critical Infrastructure in Communities of Color. *Environmental Justice* 14: 87–97.
- Homes for All Act. 2019. House Resolution 5244, 116th Congress of the United States. Available online: <https://www.congress.gov/bill/116th-congress/house-bill/5244?r=35&s=1> (accessed on 12 December 2019).
- IPCC Special Report. 2018. Global Warming of 1.5 °C. Available online: <https://www.ipcc.ch/sr15/> (accessed on 1 July 2019).
- Irazábal, Clara. 2009a. Realizing Planning’s Emancipatory Promise: Learning from Regime Theory to Strengthen Communicative Action. *Planning Theory* 8: 115–39. [CrossRef]
- Irazábal, Clara. 2009b. One size does not fit all: Land markets and property rights for the construction of the just city. *International Journal of Urban and Regional Research* 33: 558–63. [CrossRef]
- Irazábal, Clara. 2009c. *Revisiting Urban Planning in Latin America and the Caribbean*. Global Report on Human Settlements 2009 Planning Sustainable Cities: Policy Directions GRHS. Nairobi: United Nations Human Settlement Programme, Available online: <https://unhabitat.org/wpcontent/uploads/2010/07/GRHS2009RegionalLatinAmericaandtheCaribbean.pdf> (accessed on 4 January 2020).
- Irazábal, Clara. 2018. Counter land grabbing by the precariat: Housing movements and restorative Justice in Brazil. *Urban Science* 2: 1–18. [CrossRef]
- Irazábal, Clara. 2021. Los (des)enmascaramientos del COVID-19: De las pandemias al buen vivir. In *Ciudades y Territorios Sostenibles del Ecuador, Aportes Desde la Academia*. Edited by Rosa Elena Donoso and Andrea Carrión. Quito: Alianza Para el Desarrollo Urbano Sostenible, pp. 25–30. Available online: <https://biblio.flacsoandes.edu.ec/libros/151743-opac> (accessed on 8 January 2022).
- Irazábal, Clara, and Tom Angotti. 2017. Introduction: Planning Latin American Cities: Housing and Citizenship. *Latin American Perspectives* 44: 4–8. [CrossRef]
- Irazábal, Clara, and Ramzi Farhat. 2008. Latino Communities in the United States: Place-Making in the Pre-World War II, Post-World War, and Contemporary City. *Journal of Planning Literature* 22: 207–28. [CrossRef]
- Jo, Tae-Hee. 2011. Social Provisioning Process and Socio-Economic Modeling. *American Journal of Economics and Sociology* 70: 1094–116. [CrossRef]
- Joint Center for Housing Studies. 2019. *The State of the Nation’s Housing and the State of the Nation’s Rental Housing*. Cambridge: Harvard University.

- Joint Center for Housing Studies. 2020. *The State of the Nation's Rental Housing*. Cambridge: Harvard University.
- Kelton, Stephanie. 2020. *Deficit Myth: Modern Monetary Theory and Creating an Economy for the People*. New York: Public Affairs.
- Koh, Annette, Edwin Quiles Rodríguez, Marie Kennedy, Chris Tilly, Henry Louis Taylor Jr., and Allison Lirish Dean. 2020. Resistance and Alternatives. In *Transformative Planning: Radical Alternatives to Neoliberal Urbanism*, 1st ed. Edited by Tom Angotti. Montréal: Black Rose Books, pp. 43–80.
- Lawson, Tony. 2003. *Reorienting Economics*. London: Routledge.
- Lee, Frederick, and Bruce Cronin. 2018. *Handbook of Research Methods and Applications in Heterodox Economics*. Cheltenham: Edward Elgar.
- Letelier, Francisco, and Clara Irazábal. 2018. Contesting TINA: Community Planning Alternatives for Disaster Reconstruction in Chile. *Journal of Planning Education and Research (JPER)* 38: 67–85. [CrossRef]
- Lowe, Jeffery, John Powell, Hasan Jeffries, Daniel Newhart, Eric Steins, William Harris, and Annette Koh. 2020. Race, Displacement and Community Planning. In *Transformative Planning: Radical Alternatives to Neoliberal Urbanism*. Edited by Tom Angotti. Montréal: Black Rose Books, pp. 81–100.
- Lung-Amam, Willow, and Casey Dawkins. 2020. The Power of Participatory Story Mapping: Advancing Equitable Development in Disadvantaged Neighborhoods. *Community Development Journal* 55: 473–95. [CrossRef]
- Marcuse, Peter. 2017. Professional Ethics and Beyond: Values in Planning. In *Ethics in Planning*. London: Routledge, pp. 3–24.
- McDermott, Maura, and Olivia Winslow. 2019. Housing Discrimination on Long Island: How Did We Get Here? Available online: <https://projects.newsday.com/long-island/real-estate-discrimination-history/> (accessed on 12 December 2020).
- Metawala, Prachi, Kathrin Golda-Pongratz, and Clara Irazábal. 2021. Revisiting Engels' 'Housing Question': Work and Housing Conditions of Immigrant Platform Delivery Riders in Barcelona. *Human Geography* 14: 243–57. [CrossRef]
- Murray, Michael, and Mathew Forstater. 2013. *The Job Guarantee: Toward True Full Employment*. New York: Palgrave Macmillan.
- Murray, Michael, and Mathew Forstater. 2018. *Full Employment and Social Justice: Solidarity and Sustainability*. Cham: Palgrave Macmillan.
- O'Connor, James. 1989. Uneven and combined development and ecological crisis: A theoretical introduction. *Race & Class* 30: 1–11.
- Obeng-Odoom, Franklin. 2016. *Reconstructing Urban Economics*. London: Zed Books.

- Paul, Mark, William Sandy Darity, and Darrick Hamilton. 2018. *The Federal Job Guarantee—A Policy to Achieve Permanent Full Employment (Policy Report)*. Washington, DC: Center on Budget and Policy Priorities, Available online: <https://www.cbpp.org/sites/default/files/atoms/files/3-9-18fe.pdf> (accessed on 8 January 2020).
- Peck, Jamie, Nik Theodore, and Neil Brenner. 2013. Neoliberal Urbanism Redux? *International Journal of Urban and Regional Research* 37: 1091–99. [CrossRef]
- People’s Action. 2019. National Homes Guarantee. In *Briefing Book*. Chicago: People’s Action.
- Robbins, Lionel. 1948. *An Essay on the Nature & Significance of Economic Science*. London: Macmillan Publishers.
- Rodríguez-Pose, Andrés, and Michael Storper. 2019. Housing, urban growth and inequalities: The limits to deregulation and upzoning in reducing economic and spatial inequality. *Urban Studies* 57: 223–48. [CrossRef]
- Rugh, Jacob, Len Albright, and Douglas Massey. 2015. Race, Space, and Cumulative Disadvantage: A Case Study of the Subprime Lending Collapse. *Social Problems* 62: 186–218. [CrossRef]
- Saez, Emanuel, and Gabriel Zucman. 2014. Wealth Inequality in the United States since 1913: Evidence from Capitalized Income Tax Data. Available online: <https://eml.berkeley.edu/~saez/saez-zucmanNBER14wealth.pdf> (accessed on 8 January 2020).
- Sheppard, Eric. 2016. *Limits to Globalization: Disruptive Geographies of Capitalist Development*. Oxford: Oxford University Press.
- Stein, Samuel. 2019. The Housing Crisis and the Rise of the Real Estate State. *New Labor Forum* 28: 52–60. [CrossRef]
- Ndongo Samba, Sylla. 2020. Moving forward to African Monetary Integration. *Africa Development* 45: 39–58.
- Taylor, Keeanga-Yamahtta. 2019. *Race for Profit: How Banks and the Real Estate Industry Undermined Black Homeownership*. Chapel Hill: University of North Carolina Press.
- Tcherneva, Pavlina. 2013. Beyond Full Employment: What Argentina’s Plan Jefes Can Teach Us about the Employer of Last Resort. In *Employment Guarantee Schemes: Job Creation and Policy in Developing Countries and Emerging Markets*. Edited by Michael Murray and Mathew Forstater. New York: Palgrave Macmillan, pp. 79–102.
- Tcherneva, Pavlina. 2017. *Unemployment: The Silent Epidemic*. Working Paper. Annandale-on-Hudson: Levy Institute at Bard College.
- Tcherneva, Pavlina. 2020. *The Case for a Job Guarantee*. Cambridge: Polity Press.
- Timmer, Doug, Stanley Eitzen, and Katherine Talley. 1994. *Paths to Homelessness: Extreme Poverty and the Urban Housing Crisis*. Boulder: Westview Press.
- Todorova, Zdravka. 2013. Connecting Social Provisioning and Functional Finance in a Post-Keynesian Institutional Analysis of the Public Sector. *European Journal of Economics and Economic Policies: Intervention* 10: 61–75.

- Tymoigne, Eric. 2020. Monetary Sovereignty: Nature, Implementation, and Implications. *Public Budgeting & Finance*. [CrossRef]
- U.S. G.P.O. 1949. *Universal Declaration of Human Rights*. New York: United Nations.
- Whalen, Charles. 2019. Post-Keynesian institutionalism: Past, present, and future. *Evolutionary and Institutional Economics Review* 17: 71–92. [CrossRef]
- Wisman, Jon. 2010. The Moral Imperative and Social Rationality of Government-Guaranteed Employment and Reskilling. *Review of Social Economy* 68: 35–67. [CrossRef]
- Wray, Randall. 2020. *A Great Leap Forward: Heterodox Economic Policy for the 21st Century*. London: Elsevier Academic Press.
- Wray, Randall, Flavia Dantas, Scott Fullwiler, Pavlina Tcherneva, and Stephanie Kelton. 2018. *Public Service Employment: A Path to Full Employment (Policy Report)*. Annandale-on-Hudson: Levy Institute at Bard College.

© 2023 by the authors. Licensee MDPI, Basel, Switzerland. This article is an open access article distributed under the terms and conditions of the Creative Commons Attribution (CC BY) license (<http://creativecommons.org/licenses/by/4.0/>).

Right to the City, Right to Sanctuary: Sanctuary Practices, Urban Inequality, and Immigrant Political Subjectivities in New York

Vojislava Filipcevic Cordes

1. Introduction

Success in achieving the broad United Nations' Sustainable Development Goal 10 to reduce inequality among the marginalized, disenfranchised, and dispossessed cannot be had without the inclusion of the undocumented, asylum seekers, and refugees. One of the goal's more specific targets is therefore to facilitate responsible and improved migration policies. However, counts of asylum applications and resettlements paint a murky picture. Szymańska (2021) reports that in the EU "[i]n 2019, asylum applications accounted for 1371 per million inhabitants, while in 2010, first-time applications constituted around 418 per million inhabitants" (Szymańska 2021, p. 11). According to the Migration Policy Institute (Monin et al. 2021), in the fiscal year 2019, the United States offered asylum status to about 46,500 individuals, "the highest level in decades, due in part to increased asylum applications and the accelerating pace of adjudications" (Monin et al. 2021). However, during the fiscal year 2020, the United States resettled less than 12,000 refugees, in comparison to 70,000 to 80,000 resettled annually several years earlier and the 207,000 resettled in 1980, the year which marks the formal beginning of the U.S. resettlement program (ibid.).

In fact, despite the change from a Trump to a Biden administration, conditions at the southern border of the United States continue to illustrate a lack of coherent and humane immigration policies and persistent inequalities faced by immigrants (see Sandoval et al. 2021). Certainly, as Betts and Collier (2017) have convincingly argued, migrants deserve better than a broken refugee system. However, they also deserve better than to be the subject of migration studies that have tended to treat them as objects of analysis rather than foregrounding the political subjectivities of migrants, as this chapter does with respect to sanctuary cities.

This chapter, then, evaluates the recent evidence that sanctuary cities represent, which is, as Bagelman has argued, a suspended state, a type of governmentalizing

process that traps asylum seekers into an “endless cycle of waiting and deferral” (Bagelman 2016, p. 39; see also Bagelman 2013) conferred by the state’s “apparatus of control” (Bagelman 2016, p. 42) and regimes of abeyance. Even where migrants resist suspension, they are faced with punitive measures that reinforce delays and inactivity, rendering the city still a space of suspension—a place of deficient, incomplete, compromised application of refuge (Georgiou et al. 2020)—and migrants themselves apolitical and invisible presences (Laman 2015, cited in Kuge 2019). Thus, researchers have questioned the extent to which immigrants in sanctuary cities realize appropriations of space and stake claims for the Lefebvrian right to the city (De Genova 2016, cited in Bagelman 2016) and have suggested the need for an alternate legal system rooted in the rightful presence (Vrasti and Dayal 2016; see also Darling and Squire 2013) that would expose the uneven relationship between the host and the guest (Squire and Darling 2013; see also Young 2010).

Drawing from Attoh (2011), this chapter applies the research lessons of the right to the city to sanctuary contexts. Attoh argues that the right to the city represents a critique of urban policy as well as a critique of the broader conception of citizenship and that it encompasses all three generations of rights in Jeremy Waldron’s scheme: citizenship rights, socioeconomic entitlements, and minority rights. Particularly relevant for this research is the political conception of the right to the city. Following Dikeç (2001), Attoh (2011) argues that the right to the city is “coterminous with the rights of national citizenship” and that it is both a rebuke to restrictive conceptions of national citizenship and a form of active participation in political life, of lived civil society in the city. This theory envisions the right to the city as not a mere participatory right but, more significantly, an *enabling right* forged through political struggle. Hence, Attoh argues that the key right is not merely a right to urban space but rather to a politics of space that reconstitutes the city as “a space of politics”. This chapter focuses also on a similar conception of political rights to the city in the case of the undocumented, asylum seekers, and refugees, who carve political spaces in the city through active mechanisms of sanctuary practice detailed below. These forms of immigrant activism and resistance can further be seen as strides toward *insurgent* citizenship: challenging existing laws, policies, and institutions, shaping alternate forms of membership, and claiming rights (Holston and Appadurai 1999, cited in Leitner and Strunk 2014).

This research is based on the fieldwork conducted over the period July 2017–June 2018 with the New Sanctuary Coalition (NSC) in New York—an interfaith coalition of congregations, organizations, and individuals engaged in a solidarity project assisting

families and communities faced with detention and deportation.¹ The primary purpose of the evidence presented here—to the contrary of the noted arguments on the suspended state of the city of refuge—is to suggest the emancipatory potential of sanctuary practices in the urban environment, in spite of the fact that in many aspects of their lives, the undocumented must remain in the shadows. Nevertheless, rejecting the binary “either/or” construct that would refute the literature that doubts the potential of the sanctuary, this research should rather be seen in dialogue with Bagelman’s (2016) book *Sanctuary: A Suspended State* in particular, which provided the inspiration for this study.

Following Tilly (1998, cited in Castañeda 2017), this research emphasizes relational understandings of inequality which root socioeconomic status and life prospects in structural arrangements at the group level. To offer only three illustrative examples, first, Castañeda (2017) documents the stigmatization of the undocumented day laborers in Long Island, New York: these begin by becoming victims of wage theft and end by internalizing their roles as outsiders in their community. Second, Palmer (2017) argues that “Black immigrants live in the crosshairs of American-bred anti-Black racism and anti-immigrant sentiments” (ibid., p. 120). Palmer calls for transformational solidarity within the Black Lives Matter and immigrant rights movements to address the inequalities of treatment (by the criminal justice system in particular) of Black undocumented immigrants. Finally, Hung’s (2019) study of the Eritrean squatters and their struggles for the right to public housing in Rome demonstrates how “sanctuary squats act as shelters for the persecuted from which to contest repressive governmental policies” (ibid., p. 122).

These examples have in common the need to conceptualize active political subjectivities of migrants and their acts of citizenship that represent “the opening up of moments of potentiality in which subjects challenge inequalities and re-define their marginal position, by constituting themselves as claimants” (Maestri 2017, p. 6). As Zolberg and Woon (1999, cited in Castañeda 2017, p. 13) explain,

immigrants do not only passively react to host decisions about structures of most relevance to them, but their views of how boundaries should be drawn, crossed, shifted, or blurred are part of the negotiations about boundaries. Though their voice might be muted as a function of their marginal position, the reinforcement of the rights of persons in liberal democracies, both as the result of internal political struggles and the spread

¹ See <http://www.newsanctuarynyc.org/about-us-mitchell/> (accessed on 30 September 2020).

of universal human rights, bolsters the legitimacy of the aspirations of immigrant newcomers; consequently, their views on issues involving their welfare carry greater weight in negotiations (Zolberg and Woon 1999, cited in Castañeda 2017, p. 13).

This research documents how the NSC afforded an opportunity to the undocumented, asylum seekers, and refugees to express their voice regarding their marginalized position, a symptom of deeper structures of inequality, and to attempt to claim, through sanctuary practices, the right to a politics of urban space.

2. New York Policies and Sanctuary Practices of the NSC

Sanctuary cities can be defined as places where a local government or police department have passed a resolution, a city ordinance, an executive order, or a departmental policy expressly forbidding city or law enforcement officials from inquiring into immigration status and/or cooperation with the Department of Homeland Security's Immigration and Customs Enforcement Agency (ICE) (Filipcevic Cordes 2017).² Cities (e.g., New York, San Francisco) might issue municipal identification cards or accept foreign identification documents that allow denizens to access services (see Bauder 2016a). Kuge (2019) stresses the distinction between the de facto and de jure population that represents a challenge for municipal service delivery, but also an opportunity to develop urban capabilities. Rescaling of political power to cities opens opportunities for best practices for communal governing but also runs the risk of counter mobilization against cities and migrants (Kuge 2019). Regardless of status, sanctuary cities might pledge non-cooperation with federal authorities and grant "access without fear" to municipal services (e.g., "No One is Illegal"—Toronto 2015) (Vrasti and Dayal 2016, p. 996), yet these policies can be undermined by local authorities and law enforcement through the governance of security that has "speedily traversed legislative, jurisdictional and constitutional boundaries" (Hudson 2019, p. 96). In contrast, substantive and strategic sanctuary policies can view city ordinances as forming the city's identity and its liberal legacy, shaping places such as San Francisco that have "stood for protection of civil rights and [. . .] not been

² While the sanctuary city movement is international, the definition applied in the case of this research is focused on the data from the US, although UK and Canadian examples are included for comparison—in both literatures, however, sanctuary cities are seen as "a set of practices, including spatial practices" (Lippert and Rehaag 2013, p. 2, see also Bauder 2016a). Members of the sanctuary movement have voiced strong objections against immigration laws in the US, the UK, and Canada, arguing that the laws were unjust and complaining, for example, about the lack of appeals process in Canada (see Michels and Blaikie 2013).

afraid to do the right thing even in the face of a legal challenge” (Villazor 2010, p. 597). These policies confer recognition and entail forms of inclusion of denizens as local citizens (Villazor 2010) and are motivated by local conceptions of justice, rather than international human rights or cosmopolitan ideals (Varsanyi 2006, cited in Laman 2015). In this view, sanctuary cities can be seen as loci of local citizenship for undocumented immigrants, encouraging their participation in political life, their economic, social, and cultural contributions to the local community, their eligibility for services such as health care, education, social and mental health services, and police protection, and other privileges in spite of their status (see Villazor 2010). Importantly, as Bau (1994) has argued, ordinances such as San Francisco’s Sanctuary City do not interfere with the enforcement of federal immigration law, and there are no reported instances of the physical prevention of the efforts of federal immigration enforcement by local officials (Bilke 2009). As Bauder (2016a) has emphasized, immigrants in sanctuary cities “remain vulnerable to detection, detention, and deportation by US federal immigration authorities” (ibid., p. 177). While the authorities have a legal right to enter churches to seek immigrants, they have nevertheless typically not engaged in such actions because of the special moral and public status of religious institutions (Yukich 2013).

Cities are vital for solving the refugee crisis and represent more than “the junction boxes for international interactions at the local level” (Clark 2008, cited in Bagelman 2016, pp. 70–71) but constitute arenas of institutional intervention framed by powerful political rhetoric, as can be seen in the case of New York City. In August 2003, New York City passed Executive Order 41 that would prohibit city employees from disclosing confidential information (including that of immigration status) in all cases except when the individual was wanted for non-immigration crimes or is a known terrorist (O’Brien et al. 2017). Further, a 2014 New York City Council law limited the cooperation between police and corrections departments and the federal enforcement authorities (“The departments would honor a hold request only from a federal judge, and only if the subject had been convicted of a violent or serious crime” (Preston 2016)). Mayor de Blasio prominently advertised the country’s largest municipal identification program, pledged not to offer the obtained information to the federal government, and vowed to fight widespread deportations, stressing that the city’s free legal services were available to the undocumented (Medina and Bidgood 2016). Melissa Mark-Viverito, the then New York City Council Speaker, stated that New York,

adopted policies that promote inclusion by reducing the barriers to accessing city services. One way that we do this in New York City is by ensuring

that our city agencies do not require a status unless necessary to assess eligibility for public benefits or services. We're confident that all of our laws and policies fall squarely within the law and within our city's authority, and we're deeply committed to defending them. We will uphold the rule of law, but we will defy any attack by the [former] president to force us to violate the constitutional rights of our residents (Reynolds 2017).

New York's Eric Schneiderman, the then state Attorney General, published guidance to law enforcement in January that ... [stated] that the federal government "cannot 'compel the States to enact or administer a federal regulatory program,' or compel state employees to participate in the administration of a federally enacted regulatory scheme'" (Wall Street Journal 2017). Finally, while Congressional Representative Alexandria Ocasio-Cortez called for the abolishing of ICE (Bseiso 2019), current New York State Attorney General Letitia James released a press statement on 28 April 2020 as her critique of President Trump's threat to limit coronavirus funding to sanctuary cities and states, noting that "New York is proud of its status as a sanctuary state that welcomes and will fight to protect its immigrant residents—many of whom are fighting on the frontlines to battle the coronavirus" (New York State Attorney General 2020).

Yet, New York City lost a constitutional challenge in *City of New York v. United States* in which it argued that sections of the U.S. Code violated the Tenth Amendment of the Constitution "because they directly forbid state and local government entities from controlling the use of information regarding the immigration status of individuals obtained in the course of their official [duties]" (Bilke 2009, pp. 176–77; see also Ridgley 2013, p. 227). This, and the above examples, expose the limits of local institutional sanctuary policies and practices. Thus, just city theories (Fainstein 2010; Barber 2017) err when they express too great a faith in mayoral leadership, citing for example how local policies made a difference through selective recognition and redistributive programs (Fainstein 2010), or how mayors ought to deliberate across borders (Barber 2017). New York examples in fact show strong rhetoric of recognition of the rights of groups (as in the noted De Blasio, James, or Mark-Viverito declarations) but weak redistributive strategies to address urban inequalities, graphically displayed in the failed attempts to address the problems of homelessness and public housing during De Blasio administration. Thus, the scale of urban inequalities and of lacking redistributive programs trumps the rhetoric on sanctuary cities amidst the need to rebel against the hostile, dysfunctional sovereign that has defaulted on its responsibilities. The limits of city sovereignty are made apparent by the scale of inequalities heightened by federal disinvestment

in poor neighborhoods and the lack of local investment in (given the pressing need for) supportive affordable housing and homeless services while increasing investment in megaprojects, luxury developments, and privatization of public spaces (Filipcevic Cordes 2017).

It is not merely disobedient would-be sovereign cities that challenge the federal government, as might appear from the political rhetoric by local leadership cited above (on the previous page) in the media; rather, this research argues that the grassroots sanctuary practices constitute the real domain of sanctuary and not merely cities branded as sanctuaries. Taking these notions a step further, Simon Behrman (2019) recently pointed out, in the context of municipal sanctuary declarations, that the movement's politics should remain grassroots, and that when sanctuary moment practices are solidified in the form of official proclamations and programs, they are eroded, ossified, and bureaucratized.

It is thus necessary to redefine sanctuary from the grassroots right to the city perspective. The narrow definition of city sanctuary *policy* stated above appears insufficient when contrasted with a more expansive notion of sanctuary *practice* that the New Sanctuary Coalition (NSC) uses and that reflects responses to the regimes of violence and fear. First, the NSC details three scenarios under which an immigrant might seek sanctuary:

When ICE has told an immigrant who has a final order of deportation to report for deportation (“bag and baggage order”) on a specified date, *or*

When ICE conducts a raid in a neighborhood, looking for a particular immigrant—one who has a final order of deportation, but has not been picked up because either ICE cannot find that person, or the person’s family will not open the door to let ICE in to seize the person, *or*

When ICE is conducting raids in a particular neighborhood and an immigrant is afraid that he or she is, or could become, a target that ICE would detain. Many immigrants fear that they will be grabbed during a raid even if they are not a named target and may need a Sanctuary for a short time to calm down, to get accurate and up-to-date information, and to make plans (New Sanctuary Coalition, November 2016).

Furthermore, according to participants in an NSC community meeting observed, the notion of sanctuary extends even beyond this and encompasses the “values that the sanctuary hood community [intends to bring],” which include, among others: “do not harm, dignity, non-violence, self-determination, safety for one-safety for

all, reciprocity, respeto a los derechos humanos [respect for human rights], ways of fighting fear, love and protect each other, liberation and autonomy, mutual empowerment, sovereignty [when this “value” was mentioned the community leader interrupted by saying, “we do not want sovereignty because of Arizona”³], ... building blocks that are an end in and of itself, community space, practical things (clothing, washing), immigration is not a separate issue—policing, incarceration, gentrification, sanctuary is not a little box” (Fieldwork notes, 23 August 2017). While several aspects of this expanded understanding of sanctuary might be useful here, this chapter will only emphasize the notions of “reciprocity, liberty, autonomy, and mutual empowerment” and their linkage with the emancipatory potential of sanctuary. In defining this potential, this research follows Dikeç (2001) in arguing that spatial justice, right to the city, and right to difference come together to form a part of emancipatory politics. Thus, perhaps moments in which the sanctuary allows for, at least a temporary semblance of the suppression of discrimination, domination, or repression, could be seen as “moments of emancipation” (ibid., p. 1794). Understood by NSC participants, sanctuary gestures precisely towards these moments, however fragile or uncertain they may appear at first glance—yet they are perhaps as tangible as “community space or practical things.” It could thus be argued that the right to the city in this context is less of a legal and more of a symbolic sociopolitical designation that might be claimed by non-citizens and social movements.⁴

3. The Right to Sanctuary City

Bauder (2016b) roots the right to the city in the notion of rightful presence (rather than property ownership, for example) and in the domicile principle of belonging to a territorial polity (ibid.). This enables the recognition of local citizen-subjecthood to be disabled on the national scale, requiring scale-switching, which ensures local expressions of belonging (Allon 2013, cited in Bauder 2016b). Bagelman (2016) describes pro-sanctuary arguments citing transformative powers of the sanctuary as a set of “fluid, open-textured” (safe) welcoming practices (ibid., p. 14) that offer a direct challenge to (violent) state practices. Disruptive, everyday acts of the sanctuary (Lippert and Rehaag 2013) can shape a culture of hospitality, challenging restrictive

³ This is a reference to Arizona’s 2010 restrictive “Support Our Law Enforcement and Safe Neighborhoods Act” or SB 1070 bill aiming to “discourage and deter the unlawful entry and presence of aliens and economic activity by persons unlawfully present in the United States.” See <https://www.azleg.gov/legtext/49leg/2r/bills/sb1070s.pdf> (accessed on 30 September 2020).

⁴ See also Teresa Irene Gonzales’ emphasis on civic action and local elections in Gonzales (2016).

immigration and asylum policies (Bagelman 2016). Millner (2013) has argued that the actions and claims of the *sans-papiers*, the success of demonstrations in Paris in February 1997, and the calls for a campaign of civil disobedience against the new Debré Law, offer evidence for the “audibility of citizens’ voices” in contrast to the notions of “an apparently silent migrant population” (ibid., p. 67). Through claiming rights to the city via spatial practices, the struggles of *sans-papiers* further suggest that they can challenge predominant conceptions of their own identities (McNevin 2006, cited in Isin 2008). These struggles allow us to link migrant and urban justice movements (Vrasti and Dayal 2016) as sanctuary policies to render futile the distinctions between the citizen and non-citizen, “especially when the sovereign insistence on this distinction only serves to divide labor for the purposes of uneven accumulation across urban space” (ibid., p. 998).

A criticism of sanctuaries based on evidence from the UK (including Bagelman’s 2016 book) highlights the bland culture of hospitality that reinforces the distinctions and power relations between the host and the guest, and renders access to city services as insufficient and the normalization of undocumented status as avoidance of substantive immigration reform (Vrasti and Dayal 2016). The research evidence presented here rather suggests that sanctuary participants ought to be viewed as political subjectivities who claim rights that are seen as “illegitimate” or “misplaced” if viewed from a statist perspective (McNevin 2006, Nyers 2008, cited in Squire and Darling 2013). Critiquing notions of hospitality, Squire and Darling (2013) argue for an alternate conception of justice that would go beyond momentary politics and present a disruption in statist politics through political activism and the social action of sanctuary that challenges the unevenness between the host and the guest (ibid.). Sanctuary practices could certainly go further in providing the undocumented, refugees, and asylum seekers the capacity to shape the urban commons (Vrasti and Dayal 2016), thus realizing the Lefebvrian right to the city as a right to appropriate and alter the urban environment.

In “Right to the City”, moreover, Lefebvre (1996) argues that social needs have an anthropological foundation. “Opposed and complementary, they include the need for security and opening, the need for certainty and adventure, that of organization of work and play, the needs for the predictable and the unpredictable, of similarity and difference, of isolation and encounter, exchange and investments, of independence (even solitude) and communication, of immediate and long-term prospects” (ibid., 147, see also Mitchell 2003). If we recall Lewis Mumford’s ([1938] 1981) notions of dehumanizing aspects of urban work, which make a human act similar to a machine, and if we can find in the postindustrial global cities of today forms of oppressive

work environments and conditions for those on the bottom of the socioeconomic ladder, for example, the lowest-paid workers, many of whom are undocumented, the question of their social needs becomes even more significant. Cities should be planned in such a manner to satisfy a full range of social needs, especially those “not satisfied by those commercial and cultural infrastructures” (Lefebvre 1996, p. 147). Lefebvre concludes regarding the potential of the city, which is arguably shared with the undocumented, refugees, and asylum seekers:

[o]ne only has to open one’s eyes to understand the daily life of the one who runs from his dwelling to the station, near or far away, to the packed underground train, the office or the factory, to return the same way in the evening and come home to recuperate enough to start again the next day. The picture of this generalized misery would not go without a picture of ‘satisfaction’ which hides it and becomes the means to elude it and break free from it. (ibid., p. 159).

Thus, the means to elude oppression and to struggle toward a just distribution might include, as Mitchell emphasizes, social action (protest) but also legal actions and forms of appropriation of space (Mitchell 2003). The right to the city, more broadly, according to Lefebvre, is dependent upon a “renewed right to urban life” (Lefebvre 1996, p. 158), and it constitutes the urban as the “place of encounter, priority of use value” as, for Lefebvre, cities are importantly sites where dominant capitalist strategies and ideologies ought to be defeated (see also Coggin 2018; Marcuse 2012). Lefebvre (1996) sees the working class as the key agent for this social realization, and this is especially significant given that the working classes also comprise the undocumented. Yet, this solidarity project is insufficient and hinges upon Attoh’s (2011) timely call to redefine democracy in substantive terms. Attoh argues that “[w]ithin the radical openness of the right to the city concept, the right to the city can equally be a right to collective power and a right against unjust collective decisions” (ibid.). Moreover, the concept should allow “for solidarity across political struggles, while at the same time focusing attention on the most basic condition of survivability” (ibid.). The right to the sanctuary city is a struggle for the expansion of social citizenship for immigrants in the urban environment, the essential component of which is the attempt to expand social rights to encompass class solidarity with minority groups.

Dikeç (2001) develops valuable notions of spatial dialectics of injustice (which also include, but do not overvalorize, just distribution) and uses the term *égalité* (equality-freedom) drawn from Étienne Balibar in an attempt to seek linkage with emancipatory movements and to overcome perceived limitations of Iris Marion

Young's notion of difference. This is significant because the right to the city should be seen as active participation in political life, i.e., an enabling process right forged through political struggle that constitutes the city as a space of politics (Dikeç 2001). While pointing to the global dynamics that affect migration, the key point here is that sanctuary cities shape the urban environment as the battleground for claiming group rights (Isin 1999, cited in Dikeç 2001) by articulating alternate ideas of membership based on urban residence rather than citizenship status (e.g., Varsanyi's (2006) idea of *grounded* citizenship, Holston and Appadurai's (1999) *insurgent* citizenship (cited in Leitner and Strunk 2014), Purcell's (2003) call for citizenship based on *inhabitation* (cited in Ridgley 2008)—*substantive urban citizenship* based on democratic participation (Brown and Kristiansen 2009)). Notably, Maestri's (2017) study of the Roma migrants' claim-making struggles in Italy sees neither fully restrictive nor fully emancipatory enactments of citizenship within a campsite as "a political space where political subjectivities are also shaped from below, and that of an assemblage space, which emphasises the role of a plethora of state and non-state agencies" (ibid., p. 14).

Urban sanctuaries can be viewed as sets of practices rather than fixed sites, yet they include concrete spaces that can at least temporarily attempt to provide safety within these territorially confined locations. Sanctuaries thus grant more fluid forms of hospitality (Bagelman 2016) based instead on "mobile solidarities" "which refers to the creation of collective political subjects through mobilisations that promote the physical movements of people as well as the multiple diversities that such movements bring about (social and economic as well as cultural and legal)" (Squire 2011, p. 292). In his case study of Sheffield, UK, Darling (2010 cited in Bagelman 2016) shows how place-based and fluid relational practices are interconnected, expanding the prospect of the sanctuary. Darling draws on Jacobs' notion of "proximate diversity" to illuminate how sanctuary cities work through networks to create openness to diverse experiences enabling a more open relationality. Urban acts of sanctuary also allow for greater emphases on "heterogeneity, multiplicity, fluidity, and indeterminateness" (Czajka 2013, p. 48) as immigrants claim their right to the city and appropriate urban spaces. In this context, everyday routines can be laden with Lefebvrian potential, especially given Lefebvre's emphasis on use value and the sociopolitical potential of urbanity (see Darling and Squire 2013, pp. 192, 201). The argument here is that the right to the city might allow the immigrants who have lost their rights and, in Hannah Arendt's words (1951), "the right to have rights" (cited in Czajka 2013), to reclaim those rights in the urban environment. As noted above, this includes, for example, in the U.S., rights to municipal IDs, rights to access services and education, rights to appropriate urban space, and rights to assembly and participation. This

contests the view of migrants and asylum seekers as passive subjects (Bagelman 2016; see also Czajka 2013). Through acts of urban citizenship, sanctuary acts can challenge the monopoly of the state on sovereignty. It is in the city that the refugee can become “a rights bearing subject against the discourse of the state that deprives her of the right to have rights and be political” (Czajka 2013, p. 51); it is the sanctuary practices within the urban environment that can redefine the state monopoly on the political.

The focus on sanctuary cities allows for further development of the concept of urban inequality in relation to the urban commons. Cities such as San Francisco have proven that they are “at their most politically and (arguably legally) powerful” in the context of redevelopment and the shaping of the city as a place of lived experience (Schragger 2016, cited in Foster and Iaione 2017, p. 3), as well as in cases of sanctuary jurisdictions. The starting point here is that “commodifying and privatizing our collective resources in cities, disproportionately harm[s] those who lack private resources and who most depend on public resources” yet the key issue, according to Foster and Iaione (2019), is not that of ownership, but rather of rights to access and appropriate space, and of stewardship over resources, which can create a constructed, generative commons with different degrees of capacity (ibid.). When Foster and Iaione emphasize that cities are “inclusive, shared, sustainable, resilient, innovative, democratically open and responsive to citizen needs” (ibid., p. 4), and when we take into considerations that cities are, however, also sites of conflict, social exclusion, and contain ghettos and slums, we could argue for a new way of constructing the commons by taking into consideration the social, economic, cultural, and political contributions of the undocumented, the refugees, and the asylum seekers, contesting an exclusionary state.

If a critique of the concept of “urban commons” is related to the fact that it leaves too much space for private actors, seeing them as equal as public actors (Filipcevic Cordes 2017), the undocumented, refugees, and asylum seekers should contribute to making the urban commons public in a manner that would address the problems of social exclusion. This can be accomplished through a variety of collaborative projects that would involve the undocumented, refugees, and asylum seekers such as working centers, volunteering projects, right to housing alliances and neighborhood grassroots efforts, educational initiatives, minimum-wage-increase activist groups, community gardens, digital collaboratives, and art projects, in addition to protests and demonstrations. What is further crucial here is the capacity of local government to not, in fact, police the undocumented but to implement resettlement policies, increase wages and ameliorate working conditions, offer access to health care and social services, and promote social integration, among other

practices (Mitnik and Halpern-Finnerty 2010). Local governments have mandated employment standards, regulated the domestic worker activities (including by indicating employee rights and employer obligations), supported worker centers for day laborers, provided uninsured immigrants' access to health care, accepted matrículas consulares as valid forms of ID, offered municipal IDs, allowed noncitizen voting in local elections, etc. (see Mitnik and Halpern-Finnerty 2010). These could all be seen as examples of *city power*—the concept developed by Richard Schragger (2016) in contrast to the notion of local power, laden with NIMBY-ism, e.g., the local land use ordinances that prevent behaviors in public spaces and that have been used to police, even expel, immigrants from certain communities, as in the arrest of laborers playing soccer in Brewster, New York (Varsanyi 2010). Housing, trespassing, and antisolicitation ordinances can be used to constrain the undocumented right to the city (for example, the right to claim public spaces) and the right to work and reside in a community.

The benefits of sanctuaries hinge upon seeing cities as sites of solidarity with strangers who shape new senses of urban belonging (see also Bagelman 2016). Although the notion of the stranger is itself problematic (according to Jacques Derrida (2000), “if one determines the other as stranger, one is already introducing the circles of conditionality that are family, nation, state, and citizenship” (cited in Young 2010, p. 541)), the origins of the conceptualization of strangers can be found in the Bible (see Michels and Blaikie 2013), which aligns with faith-based sanctuaries. The conceptualization of strangers here follows Ash Amin’s emphasis on negotiations of difference, as shared, collaborative new identities, in the everyday life of multiethnic and multicultural cities (Amin 2013; Sennett (2012) and Grosz (2011), cited in Amin 2013). Cities can be understood as sites of engagement and collaboration (Sennett 2012, cited in Amin 2013) with the stranger in everyday life. Sanctuary sites, especially faith-based sanctuaries, are associated with “hospitality towards strangers” as argued in the Book of Leviticus in the third book of the Torah: “If a stranger sojourn with thee in your land, ye shall not vex him. But the stranger that dwelleth with you shall be unto you as one born among you, and thou shalt love him as thyself; for ye were strangers in the land of Egypt” (cited in Bagelman 2016, p. 79). Squire and Darling (2013) caution that the notion of hospitality risks reinforcing the distinction between established notions and relations of the guest and the host; cities can instead be seen as sites of struggle and claims making for a space of refuge that is constantly being negotiated and contested (Young 2010). However, sanctuaries in this view could also carry transformative potential (Deleuze and Guattari cited in Bagelman 2016). Bagelman (2016) notes the tremendous creativity of asylum

seekers by citing the community café network and radio show and subsequently The Mapping Project—“these artistic interventions problematize the asylum seeker as both subject and supplicant, and challenge the ways in which asylum seekers are rendered emblems of victimhood” (ibid., pp. 17, 99). The argument here thus draws again from Bagelman’s work while emphasizing caution regarding the conclusion that sanctuary cities are implicated in the production of state power by pacifying the asylum seeker and “de-fang[ing], smooth[ening] out and ease[ing] the seriousness of the problem” (ibid., p. 38, see also De Genova cited in Bagelman 2016). Bagelman’s argument is, for the most part, limited to the condition of asylum seekers in the UK (although the author also includes Canadian examples) where the thesis appears more to reflect conditions in asylum intake centers, which at times resemble camp-like oppression and imprisonment. This argument should be further evaluated in light of the “evidence of the exclusion of asylum seekers and irregular migrants from the remit of integration and cohesion” that “overlooks enactments of solidarity” (Squire 2011, pp. 290, 292). The city-based movement in the UK is, however, more recent, and a distinction can be made between the more formal enactments of sanctuary and the disruptive everyday practices of sanctuaries (Darling and Squire 2013)—this distinction can be made based on the practices observed in the U.S. as well (e.g., the New York City fieldwork of July 2017–January 2018 with the New Sanctuary Coalition (NSC) discussed below). What is essential here is that sanctuaries are reinforced by “the proliferation of fear” (Bagelman 2016, p. 38) and indeed are a response to the state regimes of fear. However, the benefits of sanctuaries can outweigh their pacifying roles (see also Rotter’s 2010 examples of Scotland, cited in Bagelman 2016, p. 38). While the “reprieve from marginalization” offered by sanctuary practices can, however, be merely “temporary,” sanctuary practices can nevertheless represent important “acts of citizenship” (Vrasti and Dayal 2016, pp. 1008, 1009), which can entail making rights claims and speaking out against the abuses of power (see also, Isin 2017) from the standpoint of a refugee, an undocumented immigrant, or an asylum seeker as an international citizen.

Legal traditions of sanctuaries can be traced to religious roots, as far back as ancient Greece. In 392 CE, Theodosius enshrined sanctuaries into law defining sanctuaries under specific church authority (Bagelman 2016). Moreover, in highlighting the linkages between religion and the city, Fustel (1864) has identified the city as a site of both *civitas*, a religious and political community and *urbs*, a place of assembly, and especially a space of sanctuary (cited in Isin 2008). Thus, sanctuaries were originally seen as contained, enclosed, territorially fixed social practices. Sanctuary means a holy, sacred place—thus opposed to the profane

and the secular (Bagelman 2016) but sanctuary can also be seen as a “safe haven, a protected space” whose boundaries are always policed (Dehaene 2008, cited in Bagelman 2016, p. 23). Rather than “a spatial form of protection, which implies ‘escape to a location beyond the boundaries of society’” (Bagelman 2016, p. 24); however, contemporary sanctuary practices, which also involve unions such as The Teamsters and the AFL-CIO which see unskilled labor as “prime organizing fodder” (Horowitz 2018), can be seen as sites of new political working-class subjectivities that can potentially expand the boundaries of citizenship.

While Bauder (2016a) has argued that sanctuary cities in the U.K. do not radically alter the city as a space of belonging and may be more concerned with the semblance of cosmopolitanism and inclusion while promoting urban neoliberal politics, there is also evidence that sanctuary cities intervene in the exclusionary discourse production of the notion of asylum seeker present in the media and in the national politics, alter the meanings associated with the city and its capacity to shelter asylum seekers, and offer asylum seekers opportunities to become active participants in the urban community. In the U.S., sanctuary cities have been incorporated into local government institutions, as noted above, moving away from their roots in faith-based organizing (Ridgley 2013). However, sanctuaries have also attempted to exert moral authority in cases where, in their view, the federal government had failed (see also Cunningham 1995). In emphasizing the failures of the state to protect vulnerable populations or claiming that the state or the police have acted in an inhumane manner with the refugees or the undocumented, communities and churches have “stepped into this role and, in doing so, claimed higher moral ground” (Michels and Blaikie 2013, p. 30).

This research suggests that sanctuary cities might be able to provide an emancipatory space of resilience where the undocumented, the asylum seekers, and the refugees could claim rights to the city and challenge spaces of exclusion. Projects such as Mapping the City can also demonstrate that only specific spaces in the city can be claimed as a refuge (Young 2010, p. 536). Moreover, the “possibilities of refuge are struggled over not only through the formal, bureaucratic channels of the immigration system or the social services sector, but also through the intimate, lived practices of all residents of the city” (Young 2010, p. 557).

The sanctuary movement is “place-based” but not “place-bound” (Bagelman 2016, p. 48), a dense network moving toward welcoming policies and political culture of solidarity (see also Bagelman 2016, p. 47). Following Doreen Massey (2005, 2007), “[s]olidarity emerges through everyday grounded and imminent relations of the urban, which is less a physical place than a protean way of life”

(Massey 2005, 2007, cited in Bagelman 2016, p. 47). The key point here is that cities have the potential to offer an inclusionary space for the undocumented, asylum seekers, and refugees, via coalitions such as the NSC in New York, which assume social and political responsibility for this population through concrete sanctuary city practices. This opening up of urban space is in contrast with a sense of containment that these groups experience in their lives given the statist regime's proliferation of fear which governs their lives.

4. Fieldwork with the New Sanctuary Coalition

I conducted participant observation fieldwork in New York with the New Sanctuary Coalition (NSC), selected because of its significance, prominence, and diligence with sanctuary work, from July 2017 to June 2018, to test whether the sanctuary movement represented urban resistance to exclusionary statist regimes and to examine the ways in which it might possibly contribute to the struggles for the right to the city. During this period of time, I attended weekly community meetings known as the Assembly, vigils at the Varick Immigration Court and Jericho Walks in front of 26 Federal Plaza, and conducted dozens of unstructured interviews and discussions with the participants of the sanctuary movement (selected on the basis of the snowball sample). Observation included active participation as a volunteer assisting with meetings, sharing my own immigration story, helping the efforts of the coalition, participating in vigils and Jericho walks, and sharing my previous research with the coalition. All meetings were conducted in English and in Spanish; I participated in both languages and received support and encouragement when speaking Spanish. Attendance at the meetings ranged from a few to over 30 participants; Jericho walks included at times a few participants to hundreds of participants. Vigils were smaller and included from a few to up to 10–20 participants.

4.1. Immigrant Solidarity and Urban Residence

Fieldwork in New York showed disrupted distinctions between the host and the guest. Between, that is, volunteers and “Friends”—the NSC's term of choice for the undocumented or anyone else being assisted by the coalition. Fieldwork findings further posed strong challenges to statist politics by placing an emphasis on the immigrant experience and immigrant solidarity, and on the rejection of nationalism, of the current political regime in the US, and even of borders themselves.

When a Friend asked volunteers to explain their motivations for helping the NSC, one volunteer notes,

I left Iran in the 1980s, we crossed illegally. We were involved with the immigrant solidarity work, helping other Iranians, Kurds, then worked closely with Salvadorians in Washington. We are not obsessed with being an ideal American immigrant. When you eliminate nationalism, you have other values that take place such as solidarity. Borders become nonsensical. Sanctuary is something very familiar—a place where we can create a community beyond the bureaucratic norms [governing] what an immigrant should be doing (Fieldwork notes, 20 July 2017).

Another volunteer explains,

I grew up with the ideal of living in a U.S. that is inclusive and equal, and if you were not hurting anyone you would not be punished for what you cannot control. Most of my ancestors were Jews and when I hear the way Donald Trump talks about immigrants, it reminds me of how dictators talked about us. I have a lot of immigrant Friends and I have come here to stop unfair treatment and deportations (Fieldwork notes, 20 July 2017).

The same linkage with immigrant history, and further with U.S. and transnational civil rights movements, was claimed by Ydanis Rodriguez, City Council District 10 (Washington Heights, Inwood, Marble Hill) representative, and Congressman Adriano Espaillat (New York's 13th congressional district), when discussing a physical sanctuary offered to Amanda Morales Guerra, a Guatemalan immigrant, in Holyrood Church in Washington Heights. Rodriguez notes,

Northern Manhattan is giving permanent residence to Amanda. We have been built by immigrants—Jews, Irish, Italians, Germans, Dominicans, a real melting pot. We are a progressive community that stands for the values of America. Amanda came from Guatemala, the land of Rigoberta Menchu. We are all Guatemala now (Fieldwork notes, 18 August 2017).

Espaillat claims,

Amanda is a common resident in this neighborhood. History has been stopped by actions of common residents. Rosa Parks was just a common woman. Caesar Chavez was just a common Mexican. The actions we take today will be historic tomorrow. This is a city of dreams and aspirations of immigrants (. . .). Germans, Jews, Dominicans, African Americans, Mexicans, Irish, all settled in Washington Heights. What better place than this one to shelter Amanda (Fieldwork notes, 18 August 2017).

Fieldwork findings correspond to the previous research that shows incorporation into the urban environment and new claims on the city as the key to migrant empowerment (see Yukich 2013). The testimonies of the undocumented increasingly stress life in the receiving country and not political conditions in the country of origin (which was the case with the Central American Sanctuary Movement) (see Caminero-Santangelo 2013).

4.2. *Refuge as a Human Right*

Another aspect of this rightful presence can be rooted in the idea of respect for all human beings. When an organizer with NSC asked community members to engage in role-play to identify a problem, a solution, and to act out a situation, one of the members of the community responded:

The problem is that Latinos are not united. We don't care about each other. No hay respeto para el lugar, hay que respetar a todas las personas—respect for all of us, for the place where we are now, respect for what we do—para el lugar donde estamos ahora—respeto por lo que hago. Estoy parada acá. Necesito demostrar respeto para este sitio [. . .]. I am standing here. I need to show respect for this place [. . .]. Hablar con personas con palabras destructivas para dismenuirnos y hacer nos menos. Hablar usando palabras destructivas nos minimizan. [Talking with destructive words diminishes us.] No importa el color de la piel, si uno es indocumentado o no. [The color of the skin doesn't matter, whether one is undocumented or not.] Uno debe mostrar interés en la gente. [One has to show interest in the people.] ¿Como representamos un santuario? [How do we represent a sanctuary?] Respeto a la gente cuando nos acercamos a ellos. [Respect for people when we approach them.] (Fieldwork notes 6 July 2017).

Another Friend felt empowered by community participation:

It has made me stronger. I have become a community leader. It is also about meeting people who care about those who have no voice (Fieldwork notes, 3 August 2017).

The space that the NSC provides is, moreover, not just a physical space but a spiritual support space. The NSC Coalition held a meeting in which cartas de aliento or support letters were sent to a Friend's 22-year-old son in detention in Texas.

He was imprisoned when crossing the border illegally. He refused to join a gang in Honduras and the gang is after him. He signed his own deportation

papers—he was manipulated into signing as he thought that he was signing a political asylum application (Fieldwork notes, 3 August 2017).

One Friend explains the significance of *cartas de aliento* for people in detention:

Cuando recibí la carta de aliento [apoyo], supe que le importaba a alguien. [When I received a letter of support, I knew that I mattered to someone.] Me dio la fuerza para superar—una fuerza divina [It gave me force to overcome—a divine force . . .]—Alguien estaba pelando por mi (llorando) [Someone was fighting for me (crying)]. Fue un mensaje de mucha esperanza [It was a message of great hope.]. Un mensaje también que este movimiento está creciendo [A message as well that this movement was growing] (Fieldwork notes, 3 August 2017).

A volunteer translates and explains further,

She thought that she had no value. She had lost her hope, has given up and then [. . .]. like in a Gospel but it was real to her—somebody made her seem that she was important.

(Fieldwork notes, 3 August 2017)

As Rotter argues, sanctuaries rely upon religious frameworks which are “drawn upon to make sense of the predicaments; activities were undertaken to shift attention away from the strain of waiting; and hope, which oriented them to the positive modality of waiting, was carefully fostered through social interaction” (Rotter 2010, cited in Bagelman 2016, p. 36). Bagelman argues that sanctuary cities in the UK in this manner “perhaps risk providing a sort of false hope, without affecting change” (Bagelman 2016, p. 36). This may, however, apply to sanctuaries that remain tied solely to religious organizations.

4.3. The Ethics of Sanctuary and Social Justice

Lippert (2004) notes a progressive secularization of the sanctuary city movement since the 1980s, as it has increasingly moved from churches toward secular institutions such as universities and entire cities. During my fieldwork in New York I found that interfaith efforts dominated the New Sanctuary Coalition but also that secularization was acknowledged by the movement.

Fieldwork on 13 July 2017 involved a walk outside 26 Federal Plaza in which about 50 people participated and which included a number of faith-based leaders and members of the Coalition. One of the members told the protesters,

I can't tell you how powerful the prayer is. I don't do this [only] for justice but because God was a political exile [and] because of the [. . .] persecution that people are facing around the world (Fieldwork notes, 13 July 2017).

A Lutheran priest participating in the Jericho Walk on 3 August 2017 (in which about 10 people participated) outside of 26 Federal Plaza emphasized that it was not a “protest but a prayer—a beautiful spiritual [event]” (Fieldwork notes, 3 August 2017); the priest emphasized that it was an inter-faith effort (Fieldwork notes, 10 August 2017). An Episcopal priest who participated in the accompaniment on 13 July 2017 noted, however, that the sanctuary movement was both faith-based and secular. She noted a number of middle-aged Jewish women as participants in the coalition. “People do sanctuary work because it is an ethical thing to do” (Fieldwork notes, 13 July 2017). Her church wanted to offer assistance to immigrants who came from Long Island who are farm workers, who pay \$150 for a taxi ride to come to an ICE check-in at 4 a.m. “The church hopes to provide shelter” (Fieldwork notes, 13 July 2017).

At a meeting dedicated to the support of the Deferred Action for Childhood Arrivals (DACA) Program, people held stretched out hands around the Dreamer (see Figure 1) and the organizer asked to

rebuild our . . . society along the truths of justice, equality for all—we stand in solidarity with the Dreamers and their families. That they may feel those hands that care for them—in every step that we take, may we say that we owe them as we owe to our parents and grandparents, that we may be able to give our love to our new generation, that they know our care, our generosity (Fieldwork notes, 5–6 September 2017).

The organizer completed the support words by saying, “may whoever God is to you [give you support]” emphasizing at the next meeting,

We don't really care about faith. We care about justice (Fieldwork notes, 5–6 September 2017).

The emphasis on social justice was placed by interfaith leadership in other meetings as well. Following a local rabbi who offered support to Amanda, a Guatemalan mother of three claiming physical sanctuary in an Episcopal church in Washington Heights, a priest offering the sanctuary to the mother stated at a press conference on 17 August 2017,

This is a people's movement. They lied to us when they said that the big division was going to be between people who believe in God and people

who do not. The big division is and continues to be between those who practice justice and those who do not practice justice (Fieldwork notes, 17 August 2017).



Figure 1. Support for a DACA recipient, New Sanctuary Coalition, New York. Source: Fieldwork, 5 September 2017.

4.4. Urban Enactments of Sanctuary, Inequality, and the Right to the City

A vigil in front of the Varick Street Immigration Court organized by NSC included the following protest. Protesters pressed their hands against the wall of the building and uttered the names of their Friends facing deportation (see Figures 2–4). Then, they walked twice around the building guarded by the police which observed the protesters with disinterest. The organizer described the case of a 21-year-old father who faces possible deportation due to two old tickets for dirt bike riding and one for failure to appear in court. The organizer describes the fear people feel in the immigration court and argues that the new rules “normalize” the separation of families and the breaking of communities (Fieldwork notes, 6 July 2017).

Back in the Judson Memorial Church room in Greenwich Village with about 20 people and several children present, the organizer performed a role-play where participants representing “la migra” [ICE] and “el pueblo” [the people] took turns standing up, changing seats. When the organizer said “la redada” [raid], everyone stood up and ran around the room looking for a seat. Members congratulated a Friend for having been released from detention after 6 months. The organizer used wordplay on breaking a community and breaking ICE, emphasizing that this was a community effort.

?Como vamos a romper el poder que la migra tiene de nosotros [How can we break the power that ICE has over us]? El pueblo se puede unir y levantarse [The people can unite and rise up] . . . This is what we do as we gather as a community. We are dismantling the power of ICE. It is about being strong enough not to let ICE break us” (Fieldwork notes, 6 July 2017).



Figure 2. Participants in a vigil in front of the Varick Street immigration court, New York, walk two times around the building with the banner that reads “New Sanctuary Coalition-NYC: People of Faith Stand with People Facing Deportation”. Source: Fieldwork, 10 August 2017.

The organizer emphasized community solidarity and the building of strong communities in which U.S. citizens would support the undocumented (Fieldwork notes, 6 July 2017; fieldwork notes 10 August 2017). At another vigil in front of Varick Street, one organizer referred to the building as “a symbol of oppression, racism, injustice, and intolerance,” while another emphasized the visibility and publicness of the effort, contrasted with the silence of those who could not participate (Fieldwork notes 10 August 2017). The emphasis on visibility was further underscored by an NSC volunteer who discussed the collaboration with the “Proof: Media for Social Justice” organization. In order to raise awareness regarding their plight, the volunteer asked the immigrants who brought their children to the assembly to participate in sharing a story with photographs about immigrant children who crossed the border illegally (Fieldwork notes 10 August 2017).



Figure 3. Participants in a vigil place their hands on the wall of the Varick Street immigration court, New York, uttering the names of Friends facing deportation. Source: Fieldwork, 10 August 2017.

Reflecting on Amanda’s case and on the DACA program, a community organizer with the NSC noted the precariousness of the migrant condition,

There is this sense of mourning. Our nation is mourning. We wake up with a dreadful feeling in our spirit and I hope that we don’t wake up from that as that can cause us to look for decent human ways to build and engage with one another. We are in solidarity with many Amandas and many Dreamers. We are in solidarity with—and this is a violent image—with those at the edge of a guillotine—if we can embrace that, we can embrace the opportunities that this brings—we need to mourn that so that whatever dies a new life can spring up (Fieldwork notes, 5 September 2017).



Figure 4. A vigil in front of the Varick Street immigration court, New York, includes an act of holding hands against the wall and uttering the first names of Friends. Source: Fieldwork, 6 July 2017.

Attoh (2011) notes that the right to the city can also be seen as a “right against police brutality, surveillance, and state overreach (Mitchell and Heynen 2009),” a crucial domain of the right to the city in the context of sanctuary cities. Other related rights concern the use of public spaces, including, in Attoh’s (2011) words citing related research, “a right to occupy (Mitchell 2003), design (Van Deusan 2005 cited in Attoh 2011), and define what public space is (Gibson 2005 cited in Attoh 2011).” Through actions such as vigils and Jericho walks, the sanctuary movement activists in New York attempt to redefine public spaces as sites in which the undocumented are demonstrating their rightful presence. These public demonstrations, protests, civil disobedience campaigns, and other disruptive practices of sanctuary demonstrate the right to the city in David Harvey’s (2006) terms as a collective, rather than an individual, right. According to Attoh (2011), “the right to the city, for Harvey, ‘depends on the exercise of collective power to reshape the process of urbanization’”

(Attoh 2011)—this and other examples presented here emphasize the significance of democratic participation within the concept of the right to the city.

Socioeconomic entitlements are, however, an essential part of a liberal city sanctuary policy (e.g., access for all to municipal services), although most of the debate on sanctuary cities policies has to do with the context of the criminalization of immigrants (see Filipcevic Cordes 2021). The de-emphasis on socioeconomic entitlements (found as well in fieldwork in New York) and on the role of the state (see Coggin 2018, pp. 11, 15–20) and local government limits the right to the sanctuary city as a critique of urban inequality.

5. Conclusions: Struggles for Justice and the Right to the City

While it could be argued that sanctuary cities buy social peace, they cannot be reduced to another means of controlling migration. This is Bagelman's (2016) claim, arguing that sanctuary cities in the U.K. "function as a form of governmentalizing process, inducing asylum seekers to commit to the rules of the game, while simultaneously trapping them in an endless cycle of waiting and deferral" (ibid., p. 39). Bagelman perhaps expects too much of oppressed groups, and even those that meet her criteria tend to have their efforts dismissed as futile or "paralyzing," dooming fragile acts to aid migrants. Bagelman's argument that while sanctuary "may extend a particular kind of hope, it risks sustaining a state of suspension, rendering it more durable and paralyzing" and that "engender a sense of passivity among asylum seekers and refugees" (ibid., pp. 41–42) may serve as a critique of the charitable components of sanctuaries or may apply to specific drop-in centers that serve the refugees, but appears unconvincing when contrasted with the evidence of the benefits of sanctuary cities.

Sanctuary practices observed during fieldwork in New York represent precisely the opposition front to the state "apparatus of control" (ibid., p. 42) and regimes of abeyance. The New Sanctuary Coalition in New York provides accompaniment assistance that extends sanctuary to places where the immigrants are being targeted, for example, the Federal Plaza.

Volunteers go with Friends to court dates and bear witness to what is happening. We do not care about the circumstances of immigration. We recognize their humanity and we defend them. The amount of anxiety that people feel who go to the court room without a lawyer is enormous. Additionally, you realize that *this is sanctuary*. You are providing a *space*—an internal peace to go through something that is difficult. We emotionally and physically accompany people to go through that process so that they

don't have to do it alone . . . We don't participate in the demonization of immigrants [that] dehumanizes people (Fieldwork notes 12 July 2017).

One of the volunteers promoted Nature Walks at the NSC where Friends and volunteers would address stress levels, bond, pray, and connect with nature; the purpose of the walks would be to

create this space in an extra-legal way. We would connect with people not just by providing a job or a shelter but there is something about this *place*, about *being in a place*, making a place something we can *share* (Fieldwork notes, 20 July 2017).

Not an ironic escape from the city but rather suggestive of Lefebvre's (1996) "right to nature"—an opportunity for an immigrant family to experience an excursion, which is not affordable to them even if the only cost is a regional train (buses are now thus planned as well) (Fieldwork notes, 20 July 2017).

The evidence suggests that sanctuary practices of the NSC oppose state repression and regimes of abeyance. Sanctuary practices alleviate the fear that has been increasing due to the change in federal policies; as a result of that fear, the number of people seeking sanctuary has been increasing and the number of volunteers participating in accompaniments has been dramatically increased (Fieldwork notes 12 July 2017). Leaders also note, however, that they are not seeing as many raids in the area, which they attribute to the strength of community activism in New York (Fieldwork notes, 6 July 2017).

Finally, the tension that Attoh (2011) identified between the democratization of city spaces and efforts that place constraints on democracy is crucial for sanctuary research. Much of the work of the New Sanctuary Coalition in New York focuses on individual legal cases that attempt to challenge unjust laws. It is difficult to grasp from these efforts the relevance for the right to the sanctuary city as a broader collective right. This is also particularly the case as legal tools may fail to protect the undocumented; during President Trump's regime, the state acted to limit the rights to asylum and against international laws concerning refugees. On the other hand, other emancipatory collective projects, such as vigils, demonstrations, protests, and walks discussed here, are suggestive of the democratization of the city space.

Sanctuary movements in the U.S. and Canada are distinct from the U.K. sanctuaries used to frame arguments in this chapter. However, the Bagelman (2016) U.K. study is perhaps the most accomplished contribution to the sanctuary literature that, along with other works, shows sanctuary as a contested space, arguing, however, against the grassroots potential of sanctuaries, which was the subject of this

chapter. Yet, there is perhaps sufficient evidence within Bagelman's study as well to seek emancipatory potentials within the sanctuary. Thus, cautiously expressed, conclusions made here are specific to New York's sanctuary practices of the NSC. It cannot be overstated that while the conclusions might not apply to the sanctuary movement more broadly, the focus here is on a small set of examples of sanctuary practices of the NSC's grassroots activism. Indeed, the NSC's vision of sanctuary is quite different from what most of the sanctuary literature offers.

Even if sanctuary can be seen as a set of processes that gives rise to different possibilities, the NSC posits sanctuary as essentially an emancipatory space. There is, however, a disconnect between critical local policies (affordable housing, homelessness, etc.) in New York and the activities of the group, which does not seem to have as developed a coalition with other organizations focused specifically on local or neighborhood politics. The politics of the city and the right to the city are then mostly targeting the state, advancing the rights of immigrants, and using the space of the city to pressure the federal government. In turn, the literature addressing the right to the city does not focus on these types of pressures on the federal government; this study contributes to the expansion of the right to the city's political space to include claims on the state (see also, Coggin 2018).

Sanctuary cities, it could be cautiously argued, have a potential to more robustly realize the appropriations of urban space of the Lefebvrian right to the city and are suggestive of alternative legality grounded in rightful presence primarily through the formation of empowered political subjectivities and the grassroots rhetoric of social justice, rather than, for example, through an institutional policy that would address deep urban inequalities. Nonetheless, the NSC in New York actively dismantles the binary relations between host and guest and disrupts the state monopoly on the legal and political through its accompaniment program and through a variety of sanctuary acts and practices.

Funding: This research received no external funding.

Acknowledgments: The author wishes to thank the editors, editorial assistants, and the anonymous peer reviewers for their thoughtful suggestions which have significantly improved the research.

Conflicts of Interest: The author declares no conflict of interest.

References

- Amin, Ash. 2013. The Land of Strangers. *Identities* 20: 1–8. [CrossRef]
- Attoh, Kafui A. 2011. What kind of right is the right to the city? *Progress in Human Geography* 35: 669–85. [CrossRef]

- Bagelman, Jennifer. 2013. Sanctuary: A Politics of Ease? *Alternatives: Global, Local, Political* 38: 49–62. [CrossRef]
- Bagelman, Jennifer. 2016. *Sanctuary City: A Suspended State*. New York: Palgrave Macmillan.
- Barber, Benjamin. 2017. *Cool Cities: Urban Sovereignty and the Fix for Global Warming*. New Haven and London: Yale University Press.
- Bau, Ignatius. 1994. Cities of refuge: No federal Pre-emption of Ordinances Restricting Local Government Cooperation with the INS. *La Raza Law Journal* 7: 50–71.
- Bauder, Harald. 2016a. Sanctuary Cities: Policies and Practices in International Perspective. *International Migration* 55: 174–187. [CrossRef]
- Bauder, Harald. 2016b. Possibilities of Urban Belonging. *Antipode* 48: 252–71. [CrossRef]
- Behrman, Simon. 2019. “Grassroots Asylum: Escaping the Statist Paradigm” Escaping violence: New approaches to forced migration. Paper presented at Zolberg Institute Conference, New York, NY, USA, April 12.
- Betts, Alexander, and Paul Collier. 2017. *Refuge: Transforming a Broken Refugee System*. Allen Lane: Penguin Random House UK.
- Bilke, Corrie. 2009. Divided We Stand, United We Fall: A Public Policy Analysis of Sanctuary Cities’ Role in the ‘Illegal Immigration’ Debate. *Indiana Law Review* 42: 165.
- Brown, Alison, and Annali Kristiansen. 2009. *Urban Policies and the Right to the City: Rights, Responsibilities and Citizenship*. Paris: UN-Habitat Management of Social Transformations.
- Bseiso, Faris. 2019. Ocasio-Cortez suggests eliminating Department of Homeland Security. *CNN*, July 11. Available online: <https://www.cnn.com/2019/07/11/politics/alexandria-ocasio-cortez-department-of-homeland-security/index.html> (accessed on 30 November 2021).
- Caminero-Santangelo, Marta. 2013. The Voice of the Voiceless: Religious Rhetoric, Undocumented Immigrants, and the New Sanctuary Movement in the United States. In *Sanctuary Practices in International Perspectives: Migration, Citizenship, and Social Movements*. Edited by Randy K. Lippert and Sean Rehaag. New York: Routledge, pp. 92–105.
- Castañeda, Ernesto. 2017. Understanding inequality, migration, race, and ethnicity from a relational perspective. In *Immigration and Categorical Inequality: Migration to the City and the Birth of Race and Ethnicity*. Edited by Ernesto Castañeda. New York: Routledge, pp. 1–25.
- Coggin, Thomas. 2018. Law & the New Urban Agenda: A role for the right to the city? *Fordham Urban Law Journal*. Available online: <https://news.law.fordham.edu/fulj/2018/05/11/thomas-coggin-law-the-new-urban-agenda-a-role-for-the-right-to-the-city/> (accessed on 30 November 2021).
- Cunningham, Hilary. 1995. *God and Caesar at the Rio Grande: Sanctuary and the Politics of Religion*. Minneapolis: University of Minnesota Press.

- Czajka, Agnes. 2013. The Potential of Sanctuary: Acts of Sanctuary Through the Lens of Camp. In *Sanctuary Practices in International Perspectives: Migration, Citizenship, and Social Movements*. Edited by Randy K. Lippert and Sean Rehaag. New York: Routledge, pp. 43–56.
- Darling, Jonathan, and Vicki Squire. 2013. Everyday Enactments of Sanctuary: The UK City of Sanctuary Movement. In *Sanctuary Practices in International Perspectives: Migration, Citizenship, and Social Movements*. Edited by Randy K. Lippert and Sean Rehaag. New York: Routledge, pp. 191–204.
- Dikeç, Mustafa. 2001. Justice and the Spatial Imagination. *Environment and Planning A* 33: 1785–806. [CrossRef]
- Fainstein, Susan. 2010. *The Just City*. Ithaca: Cornell University Press.
- Filipcevic Cordes, Vojislava. 2017. City Sovereignty: Urban Resistance and Rebel Cities Reconsidered. *Urban Science* 1: 22. [CrossRef]
- Filipcevic Cordes, Vojislava. 2021. ‘She Can’t Even See Her Shadow’: The New Sanctuary Coalition’s Response to the Criminalization of Immigrants in New York. *Journal of Urban Affairs* 43: 1–23. [CrossRef]
- Foster, Sheila, and Christian Iaione. 2017. Rethinking the City. Unpublished chapters provided by the author.
- Foster, Sheila, and Christian Iaione. 2019. Rethinking the City. Unpublished chapters provided by the author.
- Georgiou, Myria, Suzanne Hall, and Deena Dajani. 2020. Suspension: Disabling the City of Refuge. *Journal of Ethnic and Migration Studies* 46: 1–17. [CrossRef]
- Gonzales, Teresa Irene. 2016. Sanctuary Policies and State Rights. *Everyday Sociology Blog*, December 21. Available online: <http://www.everydaysociologyblog.com/2016/12/sanctuary-policies-and-states-rights.html> (accessed on 30 November 2021).
- Horowitz, Carl. 2018. *NYC-Area Teamster Council Is Now a ‘Sanctuary Union’; Defies Immigration Law*. Falls Church: National Legal and Policy Center, Available online: <http://nlpc.org/2018/02/20/nyc-area-teamster-council-now-sanctuary-union-defies-immigration-law/> (accessed on 2 February 2019).
- Hudson, Graham. 2019. City of hope, city of fear: Sanctuary and security in Toronto, Canada. In *Sanctuary Cities and Urban Struggles: Rescaling Migration, Citizenship, and Rights*. Edited by Jonathan Darling and Harald Bauder. Manchester: Manchester University Press, pp. 77–104.
- Hung, Carla. 2019. Sanctuary Squats: The Political Contestations of Piazza Indipendenza Refugee Occupiers. *Radical History Review* 2019: 119–37. [CrossRef]
- Inis, Engin F. 2008. The City as the Site of the Social. In *Recasting the Social Citizenship*. Edited by Engin F. Inis. Toronto: University of Toronto Press, pp. 261–80.

- Isin, Engin F. 2017. Enacting International Citizenship. In *International Political Sociology: Transversal Lines*. Edited by Tugba Basaran, Didier Bigo, Emmanuel-Pierre Guittet and Rob B. J. Walker. London: Routledge, pp. 185–204.
- Kuge, Janika. 2019. Uncovering sanctuary cities: Between policy, practice, and politics. In *Sanctuary Cities and Urban Struggles: Rescaling Migration, Citizenship, and Rights*. Edited by Jonathan Darling and Harald Bauder. Manchester: Manchester University Press, pp. 50–76.
- Laman, John. 2015. *Revisiting the Sanctuary City: Citizenship or Abjection? Spotlighting the Case of Toronto*. Toronto: York University, Center for Research on Latin America and the Caribbean, Unpublished Paper.
- Lefebvre, Henri. 1996. Right to the City. In *Writings on Cities*. Cambridge, MA: Blackwell, pp. 147–59.
- Leitner, Helga, and Christopher Strunk. 2014. Spaces of Immigrant Advocacy and Liberal Democratic Citizenship. *Annals of the Association of American Geographers* 104: 348–56. [CrossRef]
- Lippert, Randy K. 2004. Sanctuary practices, Rationalities and Sovereignties. *Alternatives* 29: 535–55. [CrossRef]
- Lippert, Randy K., and Sean Rehaag. 2013. Introduction: Sanctuary across Countries, Institutions, and Disciplines. In *Sanctuary Practices in International Perspectives: Migration, Citizenship, and Social Movements*. Edited by Randy K. Lippert and Sean Rehaag. New York: Routledge, pp. 1–12.
- Maestri, Gaja. 2017. Struggles and ambiguities over political subjectivities in the camp: Roma camp dwellers between neoliberal and urban citizenship in Italy. *Citizenship Studies* 21: 1–17. [CrossRef]
- Marcuse, Peter. 2012. Whose Right(s) to What City. In *Cities for People, Not for Profit: Critical Urban Theory and the Right to the City*. Edited by Neil Brenner, Peter Marcuse and Margit Mayer. New York: Routledge, pp. 24–41.
- Medina, Jennifer, and Jess Bidgood. 2016. Cities Vow to Fight Trump on Immigration, Even if They Lose Millions. *New York Times*, November 27.
- Michels, David H., and David Blaikie. 2013. 'I Took Up the Case of the Stranger': Arguments from Faith, History and Law. In *Sanctuary Practices in International Perspectives: Migration, Citizenship, and Social Movements*. Edited by Randy K. Lippert and Sean Rehaag. New York: Routledge, pp. 28–42.
- Millner, Naomi. 2013. Sanctuary sans frontières: Social Movements and Solidarity in post-war Northern France. In *Sanctuary Practices in International Perspectives: Migration, Citizenship, and Social Movements*. Edited by Randy K. Lippert and Sean Rehaag. New York: Routledge, pp. 57–70.
- Mitchell, Don. 2003. *The Right to the City: Social Justice and the Fight for Public Space*. New York: The Guilford Press.

- Mitnik, Pablo A., and Jessica Halpern-Finnerty. 2010. Immigration and Local Governments: Inclusionary Local Policies in the Era of State Rescaling. In *Taking Local Control: Immigration Policy Activism in U.S. Cities and States*. Edited by Monica W. Varsanyi. Stanford: Stanford University Press, pp. 51–72.
- Monin, Kira, Jeanne Batalova, and Tianjian Lai. 2021. Refugees and Asylees in the United States. *Migration Policy Institute*, May 13. Available online: <https://www.migrationpolicy.org/article/refugees-and-asylees-united-states-2021> (accessed on 1 December 2021).
- Mumford, Lewis. 1981. *The Culture of Cities*. Westport: Greenwood Press. First published 1938.
- New York State Attorney General. 2020. Press Release: “Attorney General James Responds to President Trump Signaling That Sanctuary Cities and States Will Not Be Eligible for Coronavirus Funding”. April 28. Available online: <https://ag.ny.gov/press-release/2020/attorney-general-james-responds-president-trump-signaling-sanctuary-cities-and> (accessed on 1 December 2021).
- O’Brien, Benjamin Gonzalez, Loren Collingwood, and Stephen Omar El-Khatib. 2017. The Politics of Refuge: Sanctuary Cities, Crime, and Undocumented Immigration. *Urban Affairs Review* 55: 3–40. [CrossRef]
- Palmer, Breanne J. 2017. The Crossroads: Being Black, Immigrant, and Undocumented in the Era of #BlackLivesMatter. *Georgetown Journal of Law & Modern Critical Race Perspectives* 9: 99.
- Preston, Julia. 2016. In Debate Over ‘Sanctuary Cities,’ a Divide on the Role of the Local Police. *New York Times*, September 1. Available online: <https://www.nytimes.com/2016/09/02/us/in-debate-over-sanctuary-cities-a-divide-on-the-role-of-the-local-police.html> (accessed on 1 December 2021).
- Reynolds, Eileen. 2017. Experts Untangle Trump’s ‘Sanctuary Cities’ Order. *New York University*, January 27. Available online: <http://www.nyu.edu/about/news-publications/news/2017/january/marron-institute-cities-and-immigration-event.html> (accessed on 1 December 2021).
- Ridgley, Jennifer. 2008. Cities of Refuge: Immigration Enforcement, Police, and The Insurgent Genealogies of Citizenship in U.S. Sanctuary Cities. *Urban Geography* 29: 53–77. [CrossRef]
- Ridgley, Jennifer. 2013. The City as Sanctuary in the United States. In *Sanctuary Practices in International Perspectives: Migration, Citizenship, and Social Movements*. Edited by in Randy K. Lippert and Sean Rehaag. New York: Routledge, pp. 219–31.
- Sandoval, Edgar, Simon Romero, and Miriam Jordan. 2021. Thousands of Haitians Allowed to Stay in U.S. as Texas Camp Clears Out. *New York Times*, September 23. Available online: <https://www.nytimes.com/2021/09/23/us/haitian-migrants-texas-camp.html> (accessed on 1 December 2021).
- Schragger, Richard. 2016. *City Power: Urban Governance in a Global Age*. New York: Oxford University Press.

- Squire, Vicki. 2011. From Community Cohesion to Mobile Solidarities: The City of Sanctuary Network and the Strangers into Citizens Campaign. *Political Studies* 59: 290–307. [CrossRef]
- Squire, Vicki, and Jonathan Darling. 2013. The ‘Minor’ Politics of Rightful Presence: Justice and Relationality in City of Sanctuary. *International Political Sociology* 7: 59–74. [CrossRef]
- Szymańska, Agata. 2021. Reducing Socioeconomic Inequalities in the European Union in the Context of the 2030 Agenda for Sustainable Development. *Sustainability* 13: 7409. [CrossRef]
- Varsanyi, Monica W. 2006. Interrogating “Urban Citizenship” vis-à-vis Undocumented Migration. *Citizenship Studies* 10: 229–249. [CrossRef]
- Varsanyi, Monica W. 2010. City Ordinances as ‘Immigration Policing by Proxy’: Local Governments and the Regulation of Undocumented Day Laborers. In *Taking Local Control: Immigration Policy Activism in U.S. Cities and States*. Edited by Monica W. Varsanyi. Stanford: Stanford University Press, pp. 135–156.
- Villazor, Rose Cuison. 2010. ‘Sanctuary Cities’ and Local Citizenship. *Fordham Urb. LJ* 37: 573.
- Vrasti, Wanda, and Smaran Dayal. 2016. Cityzenship: Rightful Presence and the Urban Commons. *Citizenship Studies* 20: 994–1011. [CrossRef]
- Wall Street Journal. 2017. Liberals Matriculate at Calhoun College. Editorial Opinion. February 16.
- Young, Julie E. E. 2010. A New Politics of the City: Locating the Limits of Hospitality and Practicing the City-as-Refuge. *ACME* 10: 534–63.
- Yukich, Grace. 2013. ‘I Didn’t Know if This Was Sanctuary’: Strategic Adaptation in the US Sanctuary Movement. In *Sanctuary Practices in International Perspectives: Migration, Citizenship, and Social Movements*. Edited by in Randy K. Lippert and Sean Rehaag. New York: Routledge, pp. 106–118.

© 2023 by the author. Licensee MDPI, Basel, Switzerland. This article is an open access article distributed under the terms and conditions of the Creative Commons Attribution (CC BY) license (<http://creativecommons.org/licenses/by/4.0/>).

Inequality and Inclusive Development in Ghana

Alexander Nii Adjei Sowah, Prince Selorm Kodzo Tetteh and Kofi Takyi Asante

1. Introduction: The Relationship between Development, Inequality, and Politics

Inequality is the subject of vigorous debates in academic and policy circles because it invariably draws on moral sentiments about what constitutes a fair and just society. While there is general agreement that talent and hard work need to be rewarded, there is also a recognition that factors beyond an individual's direct control can and do shape their ability to fully exploit their potential (Nichols 2012). However, beyond a certain threshold, inequality can pose problems for social cohesion and political stability, which in turn has potentially negative impacts on quality of life measures, such as health, education, and public safety (Acemoglu and Robinson 2002; Muntaner and Lynch 1999; Russett 1964).

Inequality has a multiplicity of causes, dominant among them the inequitable nature of the development process itself. This idea is captured in the famous Kuznet or U-shaped hypothesis, "which postulates that income inequality first increases and then decreases during the process of development" (Campano and Salvatore 1988, p. 265). This hypothesis is empirically supported by historical evidence from the advanced capitalist democracies where the early years of the industrial revolution were characterised by extreme disparities in income and other measures of wellbeing, such as education, health, and access to social amenities. The desperate situation of the working classes during this period lent great force to analytical attacks on capitalism (such as Karl Marx's trenchant criticisms) as well as political mobilisations aimed at introducing social reforms. These eventually culminated in the establishment of welfare policies which eventually came to be closely identified in the West as entitlements of citizenship (Acemoglu and Robinson 2002; Marshall 1950).

However, not all countries have followed the U-shaped trajectory of the Kuznet hypothesis. Developing countries attempting to rapidly develop their economies have experienced the rising inequality which characterised the early years of the industrial revolution but have been unable to subsequently transition towards greater equity. Many factors have been advanced to explain this outcome, including

“productivity changes, differential savings behaviour, exploitation of workers”, among others (Robinson 1976, p. 437). The experience of developing countries shows that declining inequality cannot be automatically expected to occur as a country’s economy develops.

In particular, it is important to note that social redistribution often reflects differences in access to power rather than the inevitable outcome of the development process. In Europe, distributional policies that resulted in declining levels of inequality were instituted in response to the political mobilisation of the urban poor and the weakening of the elite’s hold on power (Marshall 1950). In contrast, many developing countries have found themselves in “autocratic disaster” situations, where “inequality is high, but there is no democratization or redistribution because civil society is not well organized” (Acemoglu and Robinson 2002, p. 184). This highlights the centrality of political factors in shaping the relationship between inequality and development.

The complex nature of inequality as well as the socio-political difficulties involved in its amelioration call for robust policy coordination in addressing it. The United Nation’s 2030 Agenda for Sustainable Development, adopted in 2015, represents an attempt to confront headlong some of the most intractable global problems in the modern era. Incorporating 17 Sustainable Development Goals (SDGs), the agenda “provides a shared blueprint for peace and prosperity for people and the planet, now and into the future”.¹

This chapter examines inequality trends in Ghana and attempts to address them as part of the country’s commitment to SDG 10, which seeks to reduce inequality within and among countries. As we shall show, while progress has been made in specific quarters, inequality in Ghana continues to grow, indicating that to achieve any transformative outcome, broad-based political mobilisation and assertive policy interventions are necessary.

2. The West African Context

Assertive political action is instrumental in the formulation and implementation of policies that have the potential for mitigating inequality. However, an Oxfam report in 2019 asserted that even by African standards, West African governments showed a marked lack of commitment to reducing inequality, concluding that

¹ The 17 Goals: Sustainable Development. Retrieved from <https://sdgs.un.org/goals> (accessed 25 November 2021).

inequality had reached crisis proportions in the region (Oxfam 2019). Ghana currently ranks as one of the most unequal countries in West Africa, with a Gini score of 42.6. Cape Verde (48.9) and Nigeria (45.9) ranked as the most unequal countries in West Africa, while Niger (34.4) and Mali (33) ranked as the least equal (see Figure 1 below). The same report ranked West African countries by their commitment to reducing inequality (CRI). Ghana ranked fourth out of 16 West African countries with a score of 0.28 against a regional score of 0.14. By contrast, Cape Verde ranked first with a CRI score of 0.38, while Nigeria ranked last with a score of 0.05 (Oxfam 2019, p. 6).

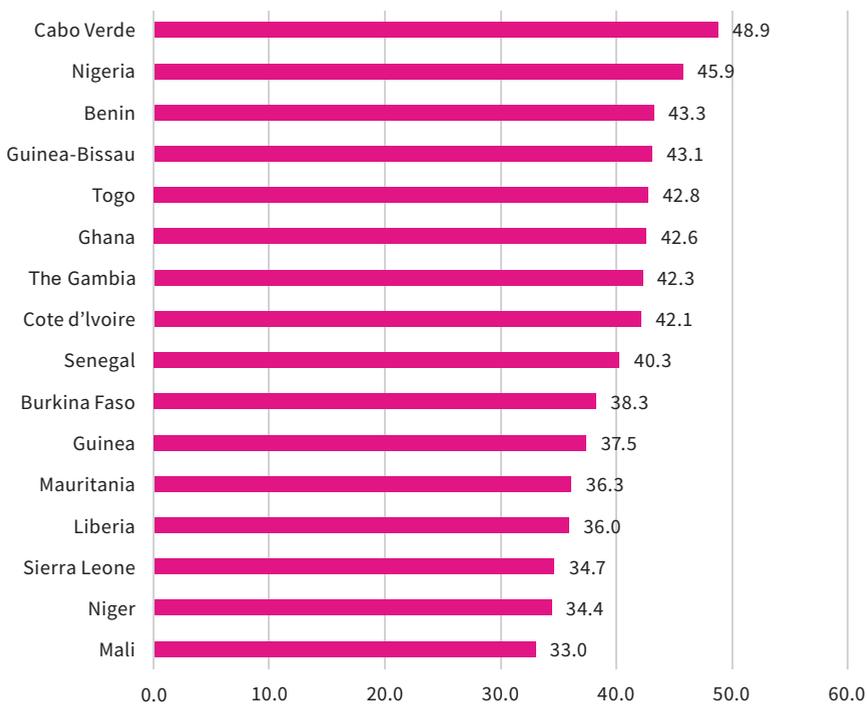


Figure 1. Average inequalities in West African countries, 2007–2017 (Gini coefficient). Source: Graphic adapted from Oxfam (2019).

The idea that political liberalisation was crucial for ushering in institutional reforms that, among other things, would lead to the reduction in inequality provided a powerful motivation for the wave of democratisation that swept through developing countries in the 1980s and 1990s. In Ghana and other African countries, democratisation occurred in the immediate aftermath of the structural adjustment

programmes (SAP), which eroded existing welfare policies such as subsidies on education and health (Boafo-Arthur 1999). However, increasing dissatisfaction with the negative impact of economic liberalisation resulted in the introduction of several policies aimed at mitigating the social cost of extreme exposure to market shocks.

This chapter provides an overview of inequality and inclusive development policies in Ghana. The next section examines the historical and political context for understanding inequality in Ghana. The fourth section outlines concrete contemporary manifestations of various dimensions of inequality in Ghana, while the penultimate section summarises selected policy interventions in Ghana's Fourth Republic. The chapter concludes with brief reflections on the prospects for building a more inclusive society in Ghana.

3. A Political Economy of Inequality in Ghana

This section examines the broad historical and political drivers of inequality in Ghana. Inequality in Ghana and other African states is often explained with reference to the differences in the experience of colonial rule across the continent. In general, settler colonies—such as South Africa and Zimbabwe, formerly Rhodesia—had high levels of inequality due to their extractive policies as well as the concentration of wealth in the hands of a small number of European settlers. On the other hand, non-settler colonies such as Ghana and Nigeria were characterised by lower levels of inequality because Africans largely remained in control of productive resources (Aboagye and Bolt 2018). However, the reality is much more complex than this broad differentiation would suggest. Differences in colonial experience certainly contributed to long-run outcomes in inequality, but there were important precolonial factors which shaped the trajectory of economic development in African colonies and subsequent patterns of inequality. For instance, customary regulations regarding access to land and labour boosted the abilities of some social groups to accumulate resources while severely constraining others, such as women, from taking advantage of the new economic opportunities which opened up with the advent of colonial rule (Amanor 2010; Austin 2005).

Although inequality in the Gold Coast (and later, Ghana) was strongly shaped by colonial rule, the effect of colonialism did not operate in a vacuum. The social and political legacies of the precolonial era established the broader context within which the economic forces unleashed by colonialism operated. One of the most far-reaching legacies of the precolonial period was the impact of the trans-Atlantic slave trade. Although the slave trade was abolished in the first decade of the nineteenth century, its impact reverberated across the Gold Coast and other West

African colonies for the rest of the century. Between the early and mid-nineteenth century, the British exercised an irregular jurisdiction on the Gold Coast which they justified as necessary for the enforcement of the abolition of the slave trade. This necessitated their increasing exercise of judicial authority, initially only limited to the perimeters of their forts along the coast, but which steadily extended further to the inland areas (Asante 2018).

One of the most important roles the proto-colonial administration played was the support of the so-called “legitimate commerce”, which emerged after the decline of the slave trade. This trade eventually led to the rise of a class of African traders, known as “merchant princes”, who exported agricultural commodities such as oil palm and rubber to Europe and imported basic consumer goods such as clothes and alcoholic beverages. The merchant princes constituted an elite group set apart from the rest of the African population by their European education, allegiance to the Christian faith, and enormous wealth. Around the middle of the nineteenth century, they had so much wealth that some of them even provided financial aid to the cash-strapped British administration. For instance, James Bannerman, an African merchant, had “expended upwards of £5000 in aiding the British Government” on the coast (Asante 2020).

This financial power also translated into political power, and from the middle of the nineteenth century until the Gold Coast was formally proclaimed a crown colony, African merchants served in high administrative capacities in the colonial government. By the turn of the twentieth century, when the colonial government became increasingly hostile, the African elite teamed up with the traditional rulers to form the first organised protest movements in the colony. Using the vehicle of the Aborigines’ Rights Protection Society (ARPS), they were able to successfully fight against the Crown Lands Bill which would have vested all “unused” lands in the colonial government (Asante 2020; Kimble 1963). However, even when they were excluded from government positions, they were able to leverage their contribution to government revenue through the payment of duties and rates to demand representation (Akyeampong 1994).

Nevertheless, the merchant princes constituted a tiny fraction of the Gold Coast population. Up to the early decades of the colonial period, inequality tended to be minimal because the economy was not very diversified. Moreover, commercial trade was limited to the coastal towns where the merchant princes resided. The large majority of the population was involved in subsistence agriculture and was largely insulated from the modern economy that was beginning to take root around the small sphere of European influence along the coast (Asante 2020; Kimble 1963).

The Gold Coast economy witnessed a revolution with the advent of cocoa production in the late nineteenth century. The cocoa economy benefited enormously from the successful battle waged by the ARPS against the Crown Lands Bill, which ensured that the control of lands remained in the hands of families or lineages. With land tenure firmly vested in families and stools, the colonial government was unable to bring to fruition its plans to attract foreign investment to develop large-scale plantations. Instead, the rapid growth of the cocoa economy was entirely dependent on the local entrepreneurial initiative which responded almost immediately to the cocoa boom.

In a matter of years, the cocoa frontier extended inland from the Eastern Districts to Asante, which was annexed to the Gold Coast at the turn of the twentieth century. As the cocoa economy developed, it unleashed powerful economic forces which transformed social relations, customary land tenure arrangements, and political development in the Gold Coast (Amanor 2010; Austin 2005; Hill 1961). By the second decade of the twentieth century, cocoa had become the backbone of the colonial economy, and issues such as the pricing and marketing of the commodity had become highly explosive political issues (Rhodie 1968; Austin 1987).

When the Gold Coast attained independence in 1957, the founding president, Kwame Nkrumah, embarked on a programme of rapid industrialisation under an import substitution framework to meet the dual goal of closing the development gap between Ghana and the West and reducing the stark social and spatial inequalities which characterised colonial policies (Asante 2021). His government also made heavy investments in education, health, and other social sectors (Osei et al. 2020) in furtherance of these goals. However, these were not enough to offset the legacies of the unequal regional distribution of resources and state investment during the colonial period.

Ultimately, fiscal constraints, political corruption, and growing dissatisfaction led to the overthrow of the Nkrumah government in 1966. Thereafter, Ghana underwent a period of acute political instability, with a rapid alternation of military and civilian regimes until the Provincial National Defence Council (PNDC) took over the reins of government in 1981. Under the PNDC's 11-year rule, Ghana implemented economic recovery and structural adjustment programmes (SAPs), which resulted in economic growth but led to serious hardships as the state rolled back subsidies on health, education, and agricultural inputs. Since the country's return to constitutional rule in 1992, successive governments have tried to balance the competing demands of market reforms and inclusive development (Boafo-Arthur 1999; Asante 2021). These

broad political economy factors have shaped the nature and trajectory of inequality since the early nineteenth century.

The period between the end of the slave trade to the early 1890s was marked by low inequality due to the fact that a vast majority of the population at this point were involved in the subsistence economy, but it is difficult to quantify the extent of inequality in the nineteenth century owing to a lack of adequate data. However, some progress has been made towards documenting the extent of inequality in the Gold Coast/Ghana since the 1890s. Drawing on a rich variety of sources including census data, income estimates from colonial blue books, and information from secondary sources, Aboagye and Bolt (2018) were able to create comprehensive social tables that “provide a straightforward way of estimating the distribution of incomes over social classes as they provide both the share in total population and an average income for each social class” (ibid., p. 8). Based on their social tables, they were able to provide a rigorous picture of the colonial social hierarchy, which was ordered as follows: (1) European government officials, (2) large-scale cocoa farmers, (3) cattle holders, (4) African government administrators and executives, (5) other government employees, (6) commercial workers, (7) medium-scale cocoa farmers, (8) skilled workers, (9) unskilled workers, (10) small-scale cocoa farmers, (11) petty traders, (12) domestic servants, (13) food crop farmers, (14) agricultural labourers, (15) fishermen, and (16) the subsistence group. Based on the social tables, Aboagye and Bolt (2018, 2021) were able to establish that inequality increased steadily between 1891 and 1960. Their data showed that inequality was relatively low from 1890 and 1930, with a Gini coefficient which hovered just above 0.4, until the early 1930s, when the upward trend began. By 1960, the Gini score was well above 0.5, but “account[ing] for . . . within-group inequality raises inequality on average by four percentage points throughout the period” (Aboagye and Bolt 2021, p. 11; see Figure 2 below).

On the whole, it is not clear from Figure 2 that the interventionist policies of the immediate post-independence era were able to reduce the rising levels of inequality. This is partly inevitable, given the fact that a large majority of the population was outside of the formalised economy. Moreover, important as it was, the rapid extension of social infrastructure that occurred in the years following independence was still not able to cause a sea change in the trajectory of inequality. Since then, inequality in the country has continued to increase, although estimates between 1960 and the mid-1980s are lacking.

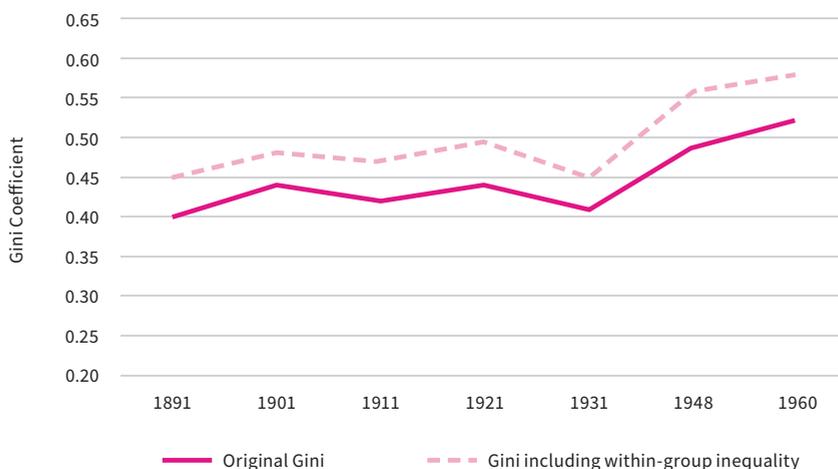


Figure 2. Income Gini coefficients, 1891–1960. Source: Graphic adapted from Aboagye and Bolt (2021).

The austerity policies that came with the imposition of structural adjustment ushered in another era of increasing inequality. Structural adjustment widened social disparities by vastly enhancing the gains reaped by the professional and ruling elites while everyone else experienced increasing hardships. Consequently, inequality resumed its sharp upward climb in the mid to late 1980s and continued on this trajectory until the turn of the twenty-first century. This process of worsening inequality has been further reinforced by the nature of structural economic change in Ghana. As Osei et al. (2020) explained, “structural change in Ghana had been characterised by a decline in the agricultural sector’s share in employment but the released labour ended up in relatively low productivity and informal sectors” (ibid., p. 15). The relatively minimal contribution of the manufacturing sector to national income is symptomatic of jobless growth. In the sections that follow, we shall provide a descriptive account of the varying manifestations of inequality in Ghana as well as policy interventions introduced to address it.

4. Manifestations of Inequality in Ghana

Inequality is self-perpetuating in the sense that its various manifestations tend to be interconnected and mutually reinforcing. For instance, the social dimensions of inequalities deepen the political and economic forms of inequality as they define

the scope or reach of access to opportunities and escape routes from poverty and deprivations.

4.1. Economic: Income and Asset Inequality

While income poverty has declined over the years in Ghana, scholars such as Osei-Assibey (2014) have observed, with concern, the widening gap between the different income brackets. Ghana, like most developing countries, shows a wide divergence between its income and consumption expenditure levels across localities and socio-economic classifications, as evidenced in the different rounds of Ghana Living Standard Surveys (GLSS).

The available data indicate an increase in real wages across all categories of income earners between 2005/2006 and 2012/2013 (Atta-Ankomah et al. 2020). The trend continued in 2016/2017, especially in the case of the bottom 10%, but there was a slight decline in the top 10% of income earners. This fact represents an important step towards closing the wage inequality gap. Atta-Ankomah et al. (2020) further observed that the decline in wage-based inequality may be due to the implementation of the Single Spine Pay Policy (SSPP), which sought to streamline the pay policy of government sector workers. The 2012/2013 and the 2016/2017 periods showed a significant decline in wages from paid employment.

The ownership of durable assets is used as a basis to ascertain household consumption and relative wealth. Atta-Ankomah et al. (2020) show that asset inequality followed a similar trend in 2005/2006, 2012/2013 and 2016/2017. While there were higher levels of asset inequality in 2005/2006 and 2012/2013, 2016/2017 saw a decline at the national level and in terms of the regional coefficient within the same period. The differences in asset inequality at the household level are largely due to differences in the gender composition of households rather than the differences between them (Atta-Ankomah et al. 2020). In this regard, asset inequality was lower among male-headed households than among female-headed households across the three periods. The trend of asset inequality declines was in tandem with the national trend where increases were observed in 2005/2006 and 2012/2013 with a reversed trend in 2012/2013 and 2016/2017.

4.2. Gender

There is ample evidence of gender inequality in education in Ghana (Senadza 2012). This is shown clearly by the UNDP's gender-disaggregated data of the human development index. In 2017, Ghana had a Gender Inequality Index (GII) value of 0.538, ranking 131 out of 160 countries in 2017 (UNDP 2018). Low political

representation and the comparatively low enrolment, retention and completion of secondary education by females were cited as key factors responsible for the low ranking. As has been noted by Lewin (2015, 2019), unhindered access to education substantially improves productivity and reduces the likelihood of falling into poverty, thereby reducing inequality. Enrolment at both the basic and the secondary level has therefore been a priority in policy and strategic planning. Policies such as the Free Compulsory Universal Basic Education (FCUBE) and the recent implementation of the Free SHS policy in 2017 further highlight the increasing attention paid to education. Much focus has also been given to the need to bridge the gender gap relating to enrolment, attendance, retention and attainment of final qualifications, that is, graduation or completion.

The Ghana Living Standards Survey Round 7 report 2015–2017 shows that the net school attendance rate at all levels of pre-tertiary education was slightly higher among males in 2005/2006. This situation, however, reversed to favour females in 2012/2013 and continued to widen in favour of women in 2016/2017. The school attendance rate saw incremental growth in 2012/2013 and 2016/2017 across the country. There were appreciable improvements at the primary, Junior High Schools (JHS), and Senior High School (SHS) levels for both gross school attendant rate (GRA) and net school attendant rate (NAR).

In terms of household dynamics, the structure of the household in terms of the access to and use of resources creates an economic differentiation between males and females. Oduro et al. (2011) note that there is a gender gap biased against women in the ownership of assets such as land, housing and livestock. With the exception of businesses, the incidence of asset ownership is lower among women compared to men. In addition to the gap in asset ownership, women tend to own assets that have a lower value compared to assets owned by men. Consequently, women are estimated to own a little over 1/3 of the gross household physical wealth. This, according to Deere et al. (2013), is driven by discriminatory inheritance practices and the nature of family customs which deny property-owning rights to women. The cultural and systemic barriers which limit the access to and control of properties (especially landed and high-value properties) further deepen the inequality between males and females in relation to wealth and asset ownership.

Politically, disparities remain between men and women. Though women have historically played an integral role in Ghana's grassroots mobilization and canvassing of support for diverse causes, women's political representation is low. This is more significant in the number of female representatives in parliament. In 2016, women represented a mere 13 percent of the 275-member parliament. This

number increased slightly to 40 female MPs representing 14.5% of the 275 members of parliament. This is paradoxical as Ghana was among the forerunners of countries that considered introducing a gender-based political representative quota in 1959. The Kwame Nkrumah-led Convention People's Party (CPP) government introduced and passed the Representation of the People (Women Members) Act which "ensured the nomination and election of ten women to parliament, and was acknowledgement of the important role of women during the struggle for independence" (Madsen 2019, p. 3).

The growth of Ghana's democratic credentials after the fourth republican constitution has, however, not helped to bridge the inequality of political representation between men and women. Efforts made by political parties to address this systemic disadvantage have mostly failed to garner the needed support of their members. The New Patriotic Party's failed affirmative action policy which was meant to increase female representatives of the party in parliament by ensuring that females stand uncontested by male aspirants in the party's primaries is a case in point (Madsen et al. 2020). Barriers to the equity of political representation include the following: First, the "first-past-the-post" electoral system which comes with an in-built winner-takes-all bias that can lead to distorted patterns of representation. Second, the substantial monetisation of politics greatly disadvantages women who are often economically vulnerable and thus struggle to compete at the constituency level. In cases where women manage to overcome the first two challenges, the culture in parliament tends to work against female parliamentarians. These women are often labelled "girlfriends/wives" or "small girls", thereby dismissing their professional expertise. In addition to these factors, female parliamentarians are generally subjected to an extra degree of scrutiny. Women in politics are disproportionately attacked verbally (and in some cases even physically) for their gender and sexuality.

4.3. Disability

Disability constitutes an important basis for inequality due to the limitation it places on the social and economic capacities of individuals and groups. From the physically challenged to the visually impaired and the deaf, disabilities become the basis for social and economic exclusion as well as a source of stigma. Additionally, disability and gender interact to create multiple disadvantages for women compared to men. This is a result of sexism and culturally based discriminatory practices aimed at women and persons living with disabilities of all forms. Though Ghana made a commitment to promoting the rights of persons with disabilities (PWDs) through the ratification of the Convention on the Rights of Persons with Disabilities (CRPD)

in August 2012, steps towards creating a conducive environment for persons with disability to thrive both socially and economically have stalled. Discrimination has been noted by Naami (2015) as an important barrier to the employment of persons with disabilities, particularly women. Most persons living with disabilities tend to live in poverty and deprivation, especially women, given that their access to respectable and well-paying jobs is significantly curtailed.

Closely linked to access to economic participation is access to education. In the national report on basic education, the government of Ghana indeed acknowledges the barriers to students with special needs school attendance. These include (a) negative public perceptions, (b) architectural barriers, (c) inadequate assessment facilities, (d) inaccessible curriculum, (e) curriculum inflexibility, and (f) ineffective or inadequate pre- or post-planning in special education needs for regular teachers (Republic of Ghana 2004). In spite of this, persons with disabilities of all kinds face significant limitations in accessing education at all levels. Special schools designed to serve the needs of PWDs tend to lack basic facilities, thereby stifling the potential of students. Courses and programmes are limited to technical and vocational education. Unequal access to education of all forms tends to create a natural barrier to social and economic mobility beyond a given reach.

Persons living with disability also face significant barriers in terms of political participation. Sackey (2015) has outlined four main factors which are intricately linked to the inability of PWDs to fully participate in political life. He argues that stigmatization and negative social perception regarding the capabilities of PWDs, the lack of resources, including financial and logistical support, which is required for effective campaigns, accessibility challenges relating to the built environment, communication and information access and the educational background of PWDs become blockades to strong participation and representation.

It is, thus, obvious that across all the domains discussed—economic, educational, and political—PWDs face similar sets of obstacles. This is, in part, due to the fact that issues about disability have not historically been a core concern in development planning. However, even in the context of the emergence of inclusivity and diversity as important policy aspirations, there is still a long way to go to redress this neglect. For instance, in spite of the promulgation of the Persons with Disability Act, 2006, many public buildings in urban centres still lack disability-friendly features (Danso et al. 2011).

4.4. Spatial Dimension of Inequality

Imbalances in the spread and distribution of wealth across localities, that is, the rural versus urban dichotomy or regional variability in the levels of poverty relating to access to goods and services as well as expansion or qualitative improvements in infrastructure and quality of life, have widened the income and wealth gaps. Ghana's economy has been noted to be growing at an impressive rate, albeit with increasing consumption inequality at the national level. Thus, although some analysts and economists have conferred a middle-income status on the country, the question remains as to whether the increasing inequality makes the growth volatile or otherwise (Annim et al. 2012).

Disparities in social and economic wellbeing are evident between various spatial units across the country, particularly the north–south divide in the country. According to Aryeetey et al. (2009), such regional or spatial disparities can also be viewed in terms of urban and rural differentiations. Rural Ghana tends to compare very poorly to urban Ghana in almost all socio-economic indices. In sum, such differentiations relating to socio-economic development between rural and urban areas are very pronounced in regions in northern Ghana compared to southern Ghana (Aryeetey et al. 2009). The spatial disparities persist in spite of continued economic growth and poverty reduction efforts over the last decade.

The GLSS report noted that, in terms of consumption poverty, based on surveys (2005/2006, 2012/2013 and 2016/2017), slightly less than a quarter of Ghanaians are poor while less than one out of every nine members of the population are extremely poor. Compared to previous surveys, this is an indication that over the four-year period absolute poverty marginally declined between 2012/2013 and 2016/2017. Although the level of extreme poverty is relatively low, it is concentrated in Rural Savannah, where more than one-third of the people considered to be extremely poor reside (?). In a nutshell, the dynamics of poverty in Ghana over the 12-year period indicate that poverty remains a rural phenomenon. Reducing rural poverty is therefore the surest way to combat inequality in the country.

5. Social Protection and Inclusive Development

Inequality has increasingly become a matter of policy attention in Ghana. The devastating personal and social impact of Structural Adjustment Programmes (SAP) emphasised the importance of the need to “protect people from risks and shocks caused by unexpected economic fluctuations” (Abebrese 2011, p. 3). This need has become even more urgent in the context of the country's highly competitive multiparty democratic dispensation, which has made political leaders highly

vulnerable to popular demands for improvements in living standards (Abdulai and Hulme 2015; Asante 2022; Resnick 2016; Whitfield 2011). This section provides an overview of some of the key social protection interventions in Ghana over the past three decades.

5.1. Programme of Actions to Mitigate the Social Costs of Adjustment (PAMSCAD)

The Programme of Actions to Mitigate the Social Costs of Adjustment (PAMSCAD) was a joint initiative of the World Bank, Ghana government, and UNICEF introduced to provide short-term relief for some of the harshest outcomes of the SAPs (Gayi 1991). The programme was estimated at USD 85 million and began in 1988. Within a period of two years, it aimed to undertake 23 projects in five key areas: employment generation (creating 40,000 jobs), actions to help retrenched workers, community initiatives (implementation of labour-intensive self-help projects), education, and the provision of basic needs for the vulnerable (Gayi 1991; Berry 1994).

An evaluation report in 1990 showed that some of the projects had achieved satisfactory results. For instance, regarding small-scale mining, about 11,000 regularised jobs were created for both the unemployed and underemployed, resulting in the generation of about 2.949 billion cedis from the sale of both diamond and gold extracted by the small-scale miners (Gayi 1991). Further, about 1044 workers who had been laid off were trained in various vocations, including baking, blacksmithing, tailoring, etc.

However, the report also found that PAMSCAD faced serious challenges, including political interference, inadequate recurrent funding, and excessive bureaucracy (ODI 1996). The groups regarded as the most in need at the design stage were the poor households in the upper and northern regions as well as low-income urban households (Stewart and van der Geest 1995). However, as in mid-1990, 48% of the funds disbursed were used to support the logistics of the ministries. Thus, the intended beneficiaries—the poor—did not experience the full benefits of PAMSCAD as they were the main target; hence, their living conditions did not see much improvement.

5.2. Ghana's Poverty Reduction Strategy Papers (GPRS) I and II

As part of its international commitments under the UN's Millennium Development Goals (MDGs), Ghana developed a policy framework in 2003 called Ghana's Poverty Reduction Strategy that sought to pursue poverty reduction and human development while striving to maintain macroeconomic stability. According

to the country's National Development Planning Commission (NDPC 2005), the impact of GPRS I led to a degree of macroeconomic stability and economic growth. However, this growth was not sufficient to address the underlying causes of economic vulnerability and inequality (NDPC 2005).

The second phase of the programme, GPRS II, was implemented from 2006 to 2009. Under this phase, the government sought to consolidate the macroeconomic gains from the first phase and to use this as a foundation for the pursuit of a middle-income status (NDPC 2005; IMF 2012). As such, GPRS II centred on pursuing, among others, private sector-led growth to boost macroeconomic stability and improving governance and civic responsibility (NDPC 2005). Poverty reduction through employment creation was integral to the programmes and projects undertaken under the GPRS (Adablah 2004). However, the employment generated under these programmes was not enough to mitigate the more structural causes of poverty nor to address the problem of growing inequality.

5.3. National Health Insurance Scheme (NHIS)

In August 2003, the National Health Insurance Scheme (NHIS) was established to enhance access to quality and equitable healthcare for all Ghanaians. To execute this mandate, the National Health Insurance Fund (NHIF) was set up to fund the healthcare of all citizens, as stipulated by the National Health Insurance Act, Act 650 of 2003. The NHIS offers premium exemptions for Social Security and National Insurance Trust (SSNIT) pensioners, pregnant women, the elderly (70 years and above), beneficiaries of the LEAP programme (discussed below) and children below 18 years (Jehu-Appiah et al. 2012). The scheme covers about 95% of the "burden of diseases" in Ghana. Other benefits covered by the scheme include maternity care, oral healthcare services, in-patient vices, outpatient services, and eye care.

As of 2019, active members of the scheme numbered over 12 million of Ghana's population (NHIS 2020). Although the state of health facilities in the country is poor (Asante 2022), the NHIS has significantly contributed to access to healthcare and affordability. According to Frimpong et al. (2014), the NHIS gives immunity against premium payments to children, the aged and pregnant women and this has helped overcome some socio-economic obstacles to healthcare, thus ensuring better accessibility for vulnerable groups. In addition, beneficiaries usually use healthcare services more than those who have not been insured.

However, the scheme has been criticised for not living up to its declared pro-poor ideals (Aboagye et al. 2017). Public hospitals, which the poor tend to use heavily, often run out of healthcare supplies and medicines (Christmals and Aidam 2020).

Moreover, the National Health Insurance Authority's (NHIA) report for 2011 revealed that less than two percent of those registered on the NHIS are indigent. A recent analysis of the GLSS 6 revealed that cost barriers prevented about 90 percent of the poorest households from benefiting from the scheme (Nsiah-Boateng et al. 2019). Furthermore, the extremely poor who mostly resided in the rural areas are poorly served as compared to urban settlers. For instance, only 30 percent of qualified nurses and doctors work in rural areas. Apart from this, rural settlers are disadvantaged due to the inaccessibility to healthcare services, which includes long travel distances and poor road networks and a lack of healthcare facilities (Alhassan et al. 2016).

5.4. The Livelihood Empowerment Against Poverty (LEAP)

The Livelihood Empowerment Against Poverty (LEAP) is a social cash transfer programme which was introduced and implemented in 2008 (trial phase) for households living in abject poverty across the country to lessen short-term poverty as well as encourage long-term human capital development (Handa et al. 2014; MOGCSP 2017). Beneficiaries are categorised into three groups:

- Orphaned or vulnerable children (OVC);
- Persons with extreme disability without any productive capacity;
- Elderly poor persons who are 65 years and above (MOGCSP 2017).

In 2008, the programme attracted about 1645 households, increasing to 146,074 households within 185 districts as of 31st December 2015 (MOGCSP 2017).

LEAP achieved a relatively substantial gain. For instance, beneficiaries have been able to reduce their debt and borrowing rates and are now considered creditworthy and financially reliable (Davis et al. 2014). LEAP has also indirectly contributed to increasing enrolment in secondary schools by 7 percentage points as well as reducing the grade repetition by primary and secondary school students (Davis et al. 2014). However, this intervention has been met with several challenges including an irregular inflow of cash, inadequate means of travelling to collect funds by beneficiaries, and administrative difficulties (Jaha and Sika-Bright 2016). Although the idea behind the LEAP was to reduce inequality, the GHS64 given to the LEAP beneficiaries is insignificant compared to the lower-bound poverty line of GHS 792 (Adu-Ababio and Osei 2018).

5.5. Free Maternity Care

The Ghana Health Service (GHS) in partnership with the Ministry of Health (MoH) founded the Safe Motherhood Initiative in 1995 to lessen the high rates of

maternal mortality (MOH 2007; Ayanore et al. 2016). Later in 2007, a fee-exemption policy was introduced for maternity care. This policy was dubbed “creating wealth through health” (MOH 2007) and perceived safe motherhood as a prerequisite for safeguarding economic growth and prosperity (Ayanore et al. 2016).

This policy resulted in reducing maternal mortality from 410 per 100,000 live births in 2010 to 380 per 100,000 live births in 2013 (World Bank 2019; Ayanore et al. 2016). In 2007, the policy was integrated into the NHIS policy (Witter and Garshong 2009). With this, NHIS-registered members are entitled to seek medical attention from all public and accredited private and faith-based healthcare providers (Johnson et al. 2016; Dalinjong and Laar 2012).

However, a major challenge facing the free maternal healthcare policy is inadequate funding, which often leads to out-of-pocket payments for related maternal health services. Witter et al. (2007) assert that poor women could not afford laboratory services, the cost of transportation, drugs and supplies despite the waiver of direct fees under the policy (Fusheini et al. 2017).

5.6. Free Senior High School (SHS)

This policy was introduced to remove all cost barriers to secondary education in Ghana. The Free SHS policy was rolled out in 2017 in fulfilment of the flagship manifesto promise of the New Patriotic Party, which won the December 2016 elections. There is also a 30% reservation in elite high schools for candidates from public JHS. The introduction and implementation of Free SHS have led to a significant increase in enrolment. Data from the Ministry of Education (MOE) show that, in 2017, there were enrolment increases of 17% and 31% in 2018, that is, from 361,771 to 472,730 (MOE 2018).

Further, findings from the 2018/2019 Free SHS monitoring of 51 schools by the Public Interest Accountability Committee (PIAC) of parliament across eight regions revealed that students now report early to school during the beginning of each semester as compared to the period before the FSHS policy (PIAC 2020). This gives an indication that students who could not afford school fees are now able to benefit from the first day of teaching in every school term.

However, inequality in access to quality education is still entrenched and would require concerted efforts to address. Although fee-related costs have been removed, the non-fee cost of education remains (Ibrahim 2018). PIAC’s report indicates that low-grade students are mostly placed in deprived schools, a situation which could further widen the gap between deprived and more privileged schools.

6. Conclusions: SDG 10 and the Political Economy of Inclusive Development

As the previous sections have shown, Ghana has achieved mixed results in its quest to achieve SDG 10. Efforts at achieving progressive and sustained income growth among the bottom 40 percent of the population in order to achieve a greater level of inclusion for marginalized and disadvantaged groups have had mixed results. Though the current information on tracking the achievement of SDG 10 in Ghana lacks empirical data at both the national and international levels, governmental policies and programmes have been designed to address the indicators of SDG 10. Social protection policies such as LEAP and the Free Maternity Care and the Domestic Violence and Victim Support Unit (DOVVSU) of the Ghana Police Service, established through the Domestic Violence Act, have been set up. These institutions, along with the attendant programmes associated with them, are intended to meaningfully protect and provide for the vulnerable in society. The LEAP programme, for instance, provides cash and health insurance to extremely poor households across Ghana to alleviate short-term poverty and encourage long-term human capital development. Improving access to education through increased enrolment and retention has also been a prime focus of successive governments in Ghana. Free SHS education has been a key government programme and intervention since 2017. This programme, among other things, bridged the gap between the rich and the poor, the rural and the urban dweller, by guaranteeing access to secondary education for all. Providing this opportunity for people who would not ordinarily have access to secondary school education has the potential to reduce inequities across the board.

In spite of these gains, however, there are major obstacles in the country's efforts to attain SDG 10. Although many social protection policies have been introduced to ensure greater equity, it is important to recognise that these policies and their implementation are not free of politics. Within the context of Ghana's highly competitive electoral politics, social groups with greater access to political power are better able to attract national resources to improve their living conditions (Abdulai and Hulme 2015; Asante and Khisa 2019; Asante and Mullard 2021). At the same time, the logic of democratic politics provides a window of opportunity for disenfranchised groups to successfully demand their fair share of national resources when they are able to successfully mobilise themselves. Understanding this political context is important because, contrary to the predictions of the Kuznet curve, there seems to be no direct relationship between economic growth and wealth.

At the same time, the liberalisation of politics and economy in Ghana has limited the scope for effective action by the state while increasingly exposing citizenship to the vagaries of the market. In this context, while the country has recorded relatively

decent economic growth since the 1980s, this growth has not been broadly shared due to the inability of the state to actively intervene to ensure a fairer distribution. Indeed, Ghana's attainment of a lower-middle income country status has not coincided with a reduction in equality. Assertive political action is, therefore, necessary to create a more equal and inclusive society. As such, attaining the SDGs in general, and SDG 10 in particular, cannot be separate from wider political processes and the need to deepen democratic citizenship.

Author Contributions: Conceptualization, K.T.A.; data curation, A.N.A.S. and P.S.K.T.; writing—original draft preparation, K.T.A., A.N.A.S., and P.S.K.T.; writing—review and editing, K.T.A., A.N.A.S., P.S.K.T. All authors have read and agreed to the published version of the manuscript.

Funding: This research received no external funding.

Conflicts of Interest: The authors declare no conflict of interest.

References

- Abdulai, Abdul-Gafaru, and David Hulme. 2015. The Politics of Regional Inequality in Ghana: State Elites, Donors and PRSPs. *Development Policy Review* 33: 5. [CrossRef]
- Abebrese, Joyce. 2011. *Social Protection in Ghana: An Overview of Existing Programmes and Their Prospects and Challenges*. Accra: Friedrich Ebert Stiftung, pp. 10–23.
- Aboagye, Da Costa, Jane South, and Hafiz T. A. Khan. 2017. Evaluation of community perspectives on national health insurance policy to health service delivery in Ghana. *Illness Crisis and Loss* 29: 3–18. [CrossRef]
- Aboagye, Prince Y., and Jutta Bolt. 2018. *Economic Inequality in Ghana, 1891–1960*. African Economic History Working Paper Series, No. 38/2018; Available online: <https://www.aehnetwork.org/working-papers/economic-inequality-in-ghana-1891-1960/> (accessed on 19 July 2022).
- Aboagye, Prince Y., and Jutta Bolt. 2021. Long-term trends in income inequality: Winners and losers of economic change in Ghana, 1890–1960. *Explorations in Economic History* 82: 1–28. [CrossRef]
- Acemoglu, Daron, and James A. Robinson. 2002. The political economy of the Kuznets curve. *Review of Development Economics* 62: 183–203. [CrossRef]
- Adablah, Cornelius. 2004. Ghana Poverty Reduction Strategy: Institutional framework for employment monitoring. In *Elaborating Employment Strategies with the Context of the Ghana Poverty Reduction Strategy*. Accra: ILO/UNDP Mission.
- Adu-Ababio, Kwabena, and Robert D. Osei. 2018. *Effects of an Education Reform on Household Poverty and Inequality*. WIDER Working Paper 2018/147. Helsinki: UNU-WIDER.

- Akyeampong, Emmanuel. 1994. The State and Alcohol Revenues: Promoting “Economic Development” in Gold Coast/Ghana, 1919 to the Present. *Histoire Sociale/Social History* 27: 393–411.
- Alhassan, Robert K., Edward Nketiah-Amponsah, Nicole Spieker, Daniel K. Arhinful, and Tobias F. Rinke de Wit. 2016. Perspectives of frontline health workers on Ghana’s National Health Insurance Scheme before and after community engagement interventions. *BMC Health Services Research* 16: 1–11. [CrossRef]
- Amanor, Kojo S. 2010. Family values, land sales and agricultural commodification in South-Eastern Ghana. *Africa* 80(1): 104–25. [CrossRef]
- Annim, Samuel, Simon Mariwah, and Joshua Sebu. 2012. Spatial inequality and household poverty in Ghana. *Economic Systems* 36(4): 487–505. [CrossRef]
- Aryeetey, Ernest, George Owusu, and Emmanuel Joseph Mensah. 2009. *An analysis of Poverty and Regional Inequalities in Ghana*. Working Paper 27. New Delhi: Global Development Network.
- Asante, Kofi T. 2018. “Intimate Knowledge of the Country”: Factionalism in the Mid-Nineteenth-Century Gold Coast Administration. *African Economic History* 46(2): 63–92. [CrossRef]
- Asante, Kofi T. 2020. Nested Patriotism: Revisiting Collaboration, Resistance and Agency in Colonial Ghana. *International Journal of Politics, Culture, and Society* 33(3): 347–64. [CrossRef]
- Asante, Kofi T. 2021. *The Political Economy of the Oil Palm Value Chain in Ghana*. APRA Working Paper 54. Brighton: Future Agricultures Consortium, Available online: <https://opendocs.ids.ac.uk/opendocs/handle/20.500.12413/16677> (accessed on 15 April 2021).
- Asante, Kofi T. 2022. *Residual Capacity and the Political Economy of Pandemic Response in Ghana*. WIDER Working Paper 2022/44. Helsinki: UNU-WIDER.
- Asante, Kofi T., and Saul Mullard. 2021. *Social Accountability and Anti-Corruption in Ghana’s Fertiliser Subsidy Programme*. U4 Issue Paper 2021:6. Bergen: Chr. Michelsen Institute.
- Asante, Kofi T., and Moses Khisa. 2019. Political Corruption and the Limits of Anti-Corruption Activism in Ghana. In *Political Corruption in Africa*. Edited by Inge Amundsen. Cheltenham: Edward Elgar Publishing.
- Atta-Ankomah, Richmond, Robert D. Osei, Isaac Osei-Akoto, Felix A. Asante, Abena D. Oduro, Nkechi Owoo, Monica Lambon-Quayefio, and Stephen Afranie. 2020. *Inequality Diagnostics for Ghana: An African Centre for Excellence for Inequality Research (ACEIR) Report*. Accra: ACEIR-Ghana Node.
- Austin, Gareth. 1987. The emergence of capitalist relations in South Asante cocoa-farming, c. 1916–1933. *The Journal of African History* 28(2): 259–79. [CrossRef]
- Austin, Gareth. 2005. *Labour, Land, and Capital in Ghana: From Slavery to Free Labour in Asante, 1807–1956*. Rochester: University of Rochester Press.
- Ayanore, Martin A., Milena Pavlova, and Wim Groot. 2016. Focused maternity care in Ghana: Results of a cluster analysis. *BMC Health Services Research* 16: 395. [CrossRef] [PubMed]

- Berry, LaVerle. B. 1994. *Ghana: A Country Study*. Washington, DC: GPO for the Library of Congress.
- Boafo-Arthur, Kwame. 1999. Ghana: Structural adjustment, democratization, and the politics of continuity. *African Studies Review* 42: 41–72. [CrossRef]
- Campano, Fred, and Dominick Salvatore. 1988. Economic development, income inequality and Kuznets' U-shaped hypothesis. *Journal of Policy Modeling* 10: 265–80. [CrossRef]
- Christmals, Christmal D., and Kizito Aidam. 2020. Implementation of the National Health Insurance Scheme (NHIS) in Ghana: Lessons for South Africa and Low- and Middle-Income Countries. *Risk Management and Healthcare Policy* 13: 1879–904. [CrossRef]
- Dalinjong, Philip A., and Alexander S. Laar. 2012. The national health insurance scheme: Perceptions and experiences of health care providers and clients in two districts of Ghana. *Health Economics Review* 2: 13. [CrossRef]
- Danso, Anthony Kwame, Ayarkwa Joshua, and Dansoh Ayirebi. 2011. State of accessibility for the disabled in selected monumental public buildings in Accra, Ghana. *The Ghana Surveyor* 4: 1–19.
- Davis, Benjamin, Silvio Daidone, Sudhanshu Handa, Michael Park, Robert O. Darko, and Isaac Osei-Akoto. 2014. *The Impact of Ghana's LEAP Programme*. One Pager. No. 271. Brasilia: International Policy Centre for Inclusive Growth.
- Deere, Carmen D., Abena. D. Oduro, Hema Swaminathan, and Cheryl Doss. 2013. Property rights and the gender distribution of wealth in Ecuador, Ghana and India. *The Journal of Economic Inequality* 112: 249–65. [CrossRef]
- Frimpong, Jemima A., Stéphane Helleringer, John K. Awoonor-Williams, Thomas Aguilar, James F. Phillips, and Francis Yeji. 2014. The complex association of health insurance and maternal health services in the context of a premium exemption for pregnant women: A case study in Northern Ghana. *Health Policy Plan* 29: 1043–53. [CrossRef]
- Fusheini, Adam, Gordon Marnoch, and Ann M. Gray. 2017. Implementation Challenges of the National Health Insurance Scheme in Selected Districts in Ghana: Evidence from the Field Implementation Challenges of the National Health Insurance Scheme in Selected Districts in Ghana: Evidence from the Field. *International Journal of Public Administration* 40: 416–26. [CrossRef]
- Gayi, Samuel K. 1991. Adjustment Additionally, 'Safetynetted': Ghana's Programme of Actions to Mitigate the Social Costs of Adjustment (PAMSCAD). *Journal of International Development* 3: 557–64. [CrossRef]
- bibitem[GSS(2018)]B35-socsci-1710202 GSS (Ghana Statistical Service). 2018. *Ghana Living Standards Survey Round 7 (GLSS 7): Poverty Trends in Ghana 2005–2017*; Accra: Ghana Statistical Service.

- Handa, Sudhanshu, Michael Park, Robert O. Darko, Isaac Osei-Akoto, Benjamin Davis, and Silvio Daidone. 2014. Livelihood Empowerment Against Poverty Program Impact Evaluation. Evaluation Report. Available online: https://assets.publishing.service.gov.uk/media/57a089ad40f0b649740001f2/LEAP_Impact_Evaluation_FINAL2014march17.pdf (accessed on 12 July 2022).
- Hill, P. 1961. The migrant cocoa farmers of southern Ghana. *Africa* 313: 209–30. [CrossRef]
- Ibrahim, Mark. 2018. Policy Brief: An Appraisal of the Free Senior High School Policy in Ghana. Available online: <http://www.nnedghana.org/2018/04/19/policy-brief-an-appraisal-of-the-free-senior-high-school-policy-in-ghana/> (accessed on 11 July 2022).
- International Monetary Fund (IMF). 2012. *Ghana: Poverty Reduction Strategy Paper-Volume II*. IMF Country Report No. 12/204. Washington, DC: International Monetary Fund.
- Jaha, I., and S. Sika-Bright. 2016. Challenges of the Livelihood Empowerment Against Poverty Programme in the Upper West Region of Ghana: The institutional perspective. *UDS International Journal of Development* 21: 188–205. [CrossRef]
- Jehu-Appiah, Caroline, Genevieve Aryeetey, Irene Agyepong, Ernst Spaan, and Rob Baltussen. 2012. Household perceptions and their implications for enrolment in the National Health Insurance Scheme in Ghana. *Health Policy Plan* 27: 222–33. [CrossRef]
- Johnson, Fiifi, Faustina Frempong-Ainguah, and Sabu S. Padmadas. 2016. Two decades of maternity care fee exemption policies in Ghana: Have they benefited the poor? *Health Policy and Planning* 31: 46–55. [CrossRef]
- Kimble, David. 1963. *A Political History of Ghana: The RISE of Gold Coast nationalism, 1850–1928*. Oxford: Clarendon Press.
- Lewin, Keith. 2015. Are the Sustainable Development Goals Sustainable. In UKFIET, The Development and Education Forum. Available online: <https://www.ukfiet.org/2015/are-the-sustainable-development-goals-sustainable/> (accessed on 14 December 2020).
- Lewin, Keith M. 2019. The Sustainable Development Goals for Education: Commonwealth Perspectives and Opportunities. *The Round Table* 1084: 367–82. [CrossRef]
- Madsen, Diana H. 2019. *Women’s political representation and affirmative action in Ghana*. NAI Policy Note 1. Uppsala: Nordiska Afrikainstitutet/The Nordic African Institute, p. 7.
- Madsen, Diana H., Kwesi Aning, and Kajsa Hallberg Adu. 2020. *A Step Forward but No Guarantee of Gender Friendly Policies: Female Candidates Spark Hope in the 2020 Ghanaian Elections*. NAI Policy Notes 2. Uppsala: Nordiska Afrikainstitutet/The Nordic African Institute.
- Marshall, Thomas H. 1950. Citizenship and social class. In *Citizenship and Social Class*. Edited by Thomas Humphrey Marshall and Thomas Bottomore. London: Pluto, pp. 3–51.
- Ministry of Education (MOE). 2018. *Free Senior High School Implementation Guidelines*. Accra: Ministry of Education.

- Ministry of Gender, Children, and Social Protection (MOGCSP). 2017. What is Leap? Available online: <https://www.mogcsp.gov.gh/projects/livelihood-empowerment-against-poverty-leap/> (accessed on 14 December 2020).
- Ministry of Health (MOH). 2007. *Creating Wealth through Health*. Accra: MOH.
- Muntaner, Carles, and John Lynch. 1999. Income inequality, social cohesion, and class relations: A critique of Wilkinson's neo-Durkheimian research program. *International Journal of Health Services* 291: 59–81. [CrossRef]
- Naami, Augustina. 2015. Disability, gender, and employment relationships in Africa: The case of Ghana. *African Journal of Disability* 4: 1. [CrossRef]
- National Development Planning Commission (NDPC). 2005. *Growth and Poverty Reduction Strategy (GPRS II) (2006–2009)*. Available online: https://scalingupnutrition.org/wp-content/uploads/2012/09/Ghana-GPRS-2006-2009_en.pdf (accessed on 2 May 2020).
- NHIS. 2020. NHIS Active Membership Soars. Available online: <http://www.nhis.gov.gh/News/nhis-active-membership-soars-5282> (accessed on 2 May 2020).
- Nichols, Austin. 2012. Inequality: A Brief Overview. Wealth and Income Distribution. *Urban Institute* 1: 1–3.
- Nsiah-Boateng, Eric, Jennifer Prah Ruger, and Justice Nonvignon. 2019. Is enrolment in the national health insurance scheme in Ghana pro-poor? Evidence from the Ghana Living Standards Survey. *BMJ Open* 9: e029419. [CrossRef] [PubMed]
- Overseas Development Institute (ODI). 1996. Adjustment in Africa: Lessons from Ghana. Briefing Paper 3. Available online: <https://cdn.odi.org/media/documents/2634.pdf> (accessed on 13 July 2022).
- Oduro, Abena D., William Baah-Boateng, and Louis Boakye-Yiadom. 2011. *Measuring the Gender Asset Gap in Ghana*. Accra: Woeli Publishing Services, Publ. For the Department of Economics, University of Ghana.
- Osei, Robert D., Richmond Atta-Ankomah, and Monica Lambon-Quayefio. 2020. *Structural Transformation and Inclusive Growth in Ghana*. WIDER Working Paper Series wp-2020-37. Helsinki: World Institute for Development Economic Research (UNU-WIDER).
- Osei-Assibey, Eric. 2014. Nature and dynamics of inequalities in Ghana. *Development* 57: 521–30. [CrossRef]
- Oxfam. 2019. *The West African Inequality Crisis: How West African Governments Are Failing to Reduce Inequality, and What Should Be Done about It*. Oxford: Oxfam GB.
- Public Interest and Accountability Committee (PIAC). 2020. *Free SHS Has Improved Access but Substantial Challenges Remain: Findings from PIAC's 2018/19 Free SHS Monitoring*. Accra: Press Statement.
- Republic of Ghana. 2004. The development of education. In *National Report of Ghana: The Basic Education Division of Ghana Education Service*. Accra: Assembly Press.

- Resnick, Danielle. 2016. Strong democracy, weak state: The political economy of Ghana's stalled structural transformation. In *International Food Policy Research Institute Discussion Paper 1574*. Washington, DC: International Food Policy Research Institute.
- Rhodie, Sam. 1968. The Gold Coast cocoa hold-up of 1930–31. *Transactions of the Historical Society of Ghana* 9: 105–18.
- Robinson, Sherman. 1976. A note on the U hypothesis relating income inequality and economic development. *The American Economic Review* 663: 437–40.
- Russett, Bruce. 1964. Inequality and Instability: The Relation of Land Tenure to Politics. *World Politics* 163: 442–54. [CrossRef]
- Sackey, Emmanuel. 2015. Disability and political participation in Ghana: An alternative perspective. *Scandinavian Journal of Disability Research* 174: 366–81. [CrossRef]
- Senadza, Bernardin. 2012. Education inequality in Ghana: Gender and spatial dimensions. *Journal of Economic Studies* 39: 724–39. [CrossRef]
- Stewart, Frances, and Willem van der Geest. 1995. Adjustment and social funds: Political panacea or effective poverty reduction? *Employment Papers* 2: 1–39.
- UNDP (United Nations Development Programme). 2018. *Human Development Indices and Indicators: 2018 Statistical Update*. Briefing Note for Countries on the 2018 Statistical Update, Ghana. New York: UNDP.
- Whitfield, Lindsay. 2011. *Growth without Economic Transformation: Economic Impacts of Ghana's Political Settlement (No. 2011: 28)*. DIIS Working Paper. Copenhagen: Danish Institute for International Studies.
- Witter, Sophie, and Bertha Garshong. 2009. Something old or something new? Social health insurance in Ghana. *BMC International Health and Human Rights* 9: 1–13. [CrossRef]
- Witter, Sophie, Daniel K. Arhinful, Anthony Kusi, and Sawudatu Zakariah-Akoto. 2007. The experience of Ghana in implementing a user fee exemption policy to provide free delivery care. *Reprod Health Matters* 15: 61–71. [CrossRef]
- World Bank. 2019. Maternal MORTALITY ratio (Modeled Estimate, per 100,000 Live Births)—Ghana. Available online: <https://data.worldbank.org/indicator/SH.STA.MMRT?locations=GH> (accessed on 13 December 2020).

© 2023 by the authors. Licensee MDPI, Basel, Switzerland. This article is an open access article distributed under the terms and conditions of the Creative Commons Attribution (CC BY) license (<http://creativecommons.org/licenses/by/4.0/>).

MDPI
St. Alban-Anlage 66
4052 Basel
Switzerland
Tel. +41 61 683 77 34
Fax +41 61 302 89 18
www.mdpi.com

MDPI Books Editorial Office
E-mail: books@mdpi.com
www.mdpi.com/books



MDPI
St. Alban-Anlage 66
4052 Basel
Switzerland

Tel: +41 61 683 77 34
Fax: +41 61 302 89 18

www.mdpi.com



ISBN 978-3-03921-161-6