Theoretical Approaches to Inequality in Economics and Sociology. A Preliminary Assessment

Giovanni Guidetti, Boike Rehbein

This paper discusses approaches to inequality that have been advanced by economics and sociology. It argues that a communication between both disciplines is necessary to make sense of the drastic increase in socio-economic inequality that we are observing at present. The aim of the paper is neither to trace the history of research in the field nor to give an overview of all available data. It rather seeks to assess the most relevant contributions in view of a research agenda that encompasses the virtues of existing approaches while avoiding their shortcomings and pitfalls. The main goal, however, is to build a bridge between economics and sociology. Both disciplines have advanced research on inequality, partly in a parallel fashion. It is time to establish a transdisciplinary research agenda.

The first part of the paper distinguishes between three traditions of research on inequality, each of which has been elaborated in both economics and sociology. The second part discusses the main issues of contemporary inequality that have been acknowledged by the three traditions and that need to be taken into account. In the final part, we draw conclusions of the discussion by critically assessing the explanatory power of existing approaches and by pointing to desiderata in theory building.

1 Theoretical Traditions

Sociological research on inequality can be divided into three main traditions, which could be called quantitative, structural and intermediate. While the quantitative tradition grew out of economics and was developed in sociology by the school of Talcott Parsons, the structural tradition certainly draws on Karl Marx. While the quantitative tradition is more descriptive, the core of the structural tradition is theoretical. A third strand, trying to link theory with empirical research, can be traced back to Max Weber but it does not form a homogeneous school.

The quantitative tradition is linked to the development of economics as a discipline but has deeply influenced the discipline of sociology as it evolved in the twentieth century. Economic theories of inequality have been largely quantitative and focused on the relation between inequality and growth. Adam Smith has taken inequality for granted. In his *Wealth of Nations* (2007; originally 1776), he develops the idea of a free market for goods and labour that leads to an increasing division of labour and thereby to economic growth. The overall product is distributed among the population so that everyone profits from this growth. However, the product is distributed not equally but proportionately. The "universal opulence ... extends itself to the lowest ranks of the people" (2007: 7). Of course, Smith worked and thought in the framework of a feudal society, where rank largely determined profession and life-chances. Even though there is a tension between the idea of unfettered competition in the market and feudal ranks, Smith does not address explicitly the issue. Economic growth is the prime goal and its distribution is secondary as long as everyone gets a share. However, following Quesnay's approach, Smith shows that value added is distributed among three classes: the rentiers, the capitalists and the workers and, even though his interest was mainly focused on economic growth, he develops an embryonic theory of income distribution among wages, profits and rents. Interestingly, Smith is probably the first economist of the modern ages who refers explicitly to the conflict between capitalist and workers for the determination of wages. The Scottish economist was convinced that even though wages can temporarily peak over the subsistence level, eventually the greater bargaining power of capitalists with respect to workers prevails and push wages down to this subsistence level. In Smith's contribution one can find the first statement of what Lassalle will call, few years later, the iron law of wage; i.e.: wages fluctuate around the subsistence level (1863). Few years later Ricardo (1815) developed a framework of analysis based on the idea that the value of commodities depends on the amount of labour contained. In this approach the distribution of income among the three classes, rentiers, capitalists and workers, Ricardo demonstrates that when the economic system reaches the steady state, the rate of profit tends to nil and the output will be distributed between rents and wages. In the mathematical outline of Ricardo's analysis, Pasinetti (1977) emphasises the distributive conflict between wages and profit, before the system reaches the steady state. Finally, Marx made this conflict more explicit in economic analysis, introducing the notion of surplus value. According to Marx, profits depends on the surplus value that capitalist manage to extract from workers' productive activity. Roughly speaking, it can be defined as the difference between the value of the output produced by workers and their wages and as such it is a measure of worker's exploitation by the class of capitalists. In Marx's treatment one can also find the origins of the classes of capitalists and workers. The former are the owners of the means of production, the latter are the individuals exploited in the productive process. Conclusively, in classical economics one can find a deep analysis of functional income distribution, i.e.: income distribution among the three different classes in society. In this sense one can state that they are the first economists who addressed the problem of inequality despite they did not use this category of analysis and their models were worked out for different purposes than the analysis of inequality.

With the advent of the marginalist school around 1870 the approach to economic analysis changes drastically. The focus shifts from the analysis of production and the distribution of income to the analysis of exchanges among individuals with a given endowment of resources and the allocation of these resources. As a result, the level of wages depends on the interaction between labour demand and supply and the relative scarcity of supply with respect to demand. As far as income distribution is concerned, Wicksell (1893) demonstrates that, assuming a highly specific production function[1], the level of wages and rent tend to their respective marginal productivity. Pangloss meets economics: assuming perfectly competitive markets, the earnings of productive factors equal their productivity. Income inequality is simply a result of the contribution of each productive factor to the production of income. The focus of analysis shifts from functional income distribution to personal income distribution. As the operation of markets entails that productive factors are paid on the basis of their contribution to production, income inequality is no longer a problem to be addressed through specific public policies. Inequality disappears from the agenda of mainstream economics. In this tradition more recently Lucas (2004) in a much quoted assertion has affirmed: "Of the tendencies that are harmful to sound economics, the most seductive, and in my opinion the most poisonous, is to focus on questions of distribution". Economic analysis should not focus on problems of either inequality or income distribution but rather on issues concerning growth and poverty because "The potential for improving the lives of poor people by finding different ways of distributing current production is *nothing* compared to the apparently limitless potential of increasing production." (Lucas, 2004).

The seminal contribution in modern economic literature addressing explicitly the issue of economic inequality was developed by Kuznets (1955). Basing on empirical evidence, Kuznets maintains that inequality tends to rise in the early stages of economic development, as a consequence of industrialisation, then it declines in later stages, as capitalism matures. In this way income inequality presents the classical inverted-U shaped trend in time. In this stream of analysis, Kuznets' hypothesis has been questioned, especially in empirical economic literature, and the most relevant conclusion (Fields 2001) states that it is not growth *per se*, which gives rise to economic inequality but it is the nature of economic growth which determines the development of inequality. More precisely, Fields claims that the effect of growth on inequality depends on the factors which characterize the economic environment such as the structure of output, the degree of economic dualism, the structure of employment, the distribution of land, the operation of capital markets and the overall level of human capital. In addition to that, more recently, Kuznets' approach has been even more radically questioned reversing the causation relation between growth and inequality, underlying Kuznets' seminal contribution. Basically, the idea is that economic inequality affects the pace and the nature of economic growth and not the reverse as in Kuznets' analysis (Stiglitz 2012). This stream of the economic literature provides neither a direct causal link between inequality and rate of growth, nor a unique explanation. Actually, different theoretical frameworks point to different factors explaining the reason why inequality can affect economic growth (Bourguignon, 2004, Ehrhart 2009). There seems to be a wide consensus on the ideas that inequality can hinder economic growth and that country specificities matter in order to understand through which channels inequality slows down the pace of economic growth.

[1] The production function must be homogeneous of degree 1.

The quantitative tradition in economics focused on growth has not been able to explain inequality. Predictions about inequality trends extrapolated from the 1990s have been proven wrong – because they had focused on numbers and not on structures. This is particularly true for the influential World Bank publications (Jomo/Baudot 2007; cf. the Human Development Reports). These studies neglected the rise of the global South, as it was scarcely visible at the time. In the 2000s the discussion has mainly focused on the question of whether the world has become more or less unequal. Branko Milanovic (2005) has published the classic study of the topic, in which he compares different systems of measurement and earlier assessments of the question. In the end, he settles for a global comparison of weighted household consumption.

Although Milanovic's predictions have not materialized either, his retrospective analyses are pertinent to any study of social inequality. The absolute number of poor has remained almost unchanged over the past few decades, while the wealth accumulated by the richest individuals has risen to unprecedented levels, and multinational corporations report record profits virtually every year (Milanovic 2005: 108). There seems to be a consensus that these trends are alarming by most standards. Milanovic calculates the Gini index for the global population at 64, for the US at 80 and for the countries of the world taken as a whole at 53 (1998). And it is increasing in most countries, including most emerging societies.

The quantitative tradition in sociology did not contribute substantially to research on inequality in economics except for the attempt to look at the social structure behind the Gini index and other quantitative measures of inequality. Talcott Parsons (1939) developed the concept of social structure as the differentiation of society into social groups. He also established an explicit link between social structure and the division of labour without confounding the two. Following economics and Marxism, however, the distinction between social structure and division of labour was more or less forgotten. The quantitative and the structural traditions in sociology have basically identified social structure with the division of labour by presenting social structure as a hierarchy of professions.

This confusion is very evident in Goldthorpe's class model, which is the basis of the mainstream of quantitative research on inequality in many European countries. Goldthorpe (2007, vol. II: 104) groups the entire population of a nation state in seven to eleven classes. These classes are types of professions, the highest class comprising leading academic professionals, leading managers and entrepreneurs having more than 50 employees, the lowest class consisting of manual and routine labourers. Of course, the majority of the population is excluded from this analytical framework, as even in European countries less than half of the population is engaged in wage-labour. Furthermore, the criteria for distinguishing the classes are descriptive and somewhat arbitrary. This is problematic because Goldthorpe's empirical research focuses on social mobility. If the criteria for distinguishing classes are arbitrary, the observation of mobility from one class to another is arbitrary as well. In fact, research by the Goldthorpe school exemplifies this (e.g. Breen 2004). Unfortunately, many governments and influential organizations rely on this research in their assessment of inequality and mobility. National statistics are rarely more than a combination of quantitative economic approaches with a descriptive notion of class as a professional group.

The notion of class also forms the basis of the structural tradition in sociology. However, here it is not a descriptive but a theoretical term. The main argument is that inequality exists and persists because different social groups have unequal access to socially relevant resources and power. This unequal distribution persists because each generation passes on its resources to the next, so that power and resources "remain in the family".

Karl Marx is probably the founder of the structural approach, which he developed out of a critical reading of Adam Smith. While Smith bases his theory on the idea of an unalterable utility-maximising individual, Marx claims that human nature is historical and social (MEW 40: 537). Through action, the human being creates him- or herself. Each historical condition constitutes the framework within which this creation takes place, each generation carries with it the entire history of the human species (MEW 8: 115). The human being embodies history as a tradition and applies it to contemporary reality. Thereby, reality and the human being are transformed. Smith's utility-maximising individual, according to Marx, is not the original human being but its contemporary manifestation as the result of a long history (MEW 13: 615).

According to the young Marx, the self-creation of the human being through his or her interaction with the world changes in each social configuration. In unequal societies, only some segments of society perform interaction with the world as labour, while others reap the profits without having to perform labour. This is the basis of class divisions in society. Capitalism changes nothing in this unequal relation between the classes but transforms labour into a commodity. The essence of the human being, which is activity, is hereby transformed into an abstract, commodified and transferable entity (MEW 40: 514). Any commodity can be traded for money in capitalism, which includes labour.

The structure of a capitalist society, for the old Marx, consists in the opposition of the class that possesses enough money to buy labour and put it work and the class that has to sell its labour force. Following Smith, Marx interprets society as economic reproduction and its capitalist manifestation as accumulation of capital through investment into means of production and labour. Against this background, inequality is merely the surface of the invisible structure, which consists in the unequal distribution of capital and labour. Other types of activity and being in capitalist society are irrelevant for the analysis that Marx presents in his seminal work, *Das Kapital* (MEW 23-25). Division of labour and social structure are identified, just as in the quantitative tradition. The owners of the means of production are also the class that holds the power within the nation state (MEW 13: 640). This also implies that the redistribution of economic capital would abolish inequality.

Between the structural and the quantitative tradition, a third strand of sociological research on inequality emerged. After Marx, Max Weber (1972; originally 1921) argued that social structure was more complex. On the one hand, there are many groups that are neither capitalists nor workers; on the other, he proposed that factors apart from occupation and wealth should be considered. However, Weber also focused his analyses on occupation and wealth. Theodor Geiger (1932) and his disciples came up with a complex model of stratification. These stratification theories follow Weber in his critique of Marx and set up elaborate and complex models of social structure. They are less theoretical than Marxism, and less focused on economic and historical factors.

Stratification theory has become especially sophisticated in Germany (cf. Hradil 1989; Schulze 1992). One of its leading representatives, Rainer Geißler (1996), has developed a model of social structure that might serve as an ideal type of the container model. It is derived from Ralf Dahrendorf's 'house model'. Each group in society inhabits a room in the house, although walls and individuals are mobile. The basic criterion for the distribution of groups into 'rooms' is their occupation (Geißler 1996: 85). In addition, ethnicity, mentality, life-chances and subcultures also play a role. Looking at Geißler's model, it immediately becomes evident that he cannot fit everyone into the house. Foreigners remain outside. Furthermore, as he explains, the walls have become extremely permeable, rooms overlap and intermingle and social agents themselves are hardly aware of their own distribution (1996: 87). On the theoretical level, these inconsistencies do not seem to be an issue for Geißler.

If an 'explanatory' model is so imprecise that it fails to tell us very much about reality, there is surely a problem with it. The outsiders in Geißler's model remind one strangely of the 'epicycles' devised to save Ptolemy's model of the universe. Migrants are from 'another society'. Yet they can no longer be ignored, as they make up around five percent of the world's population (and if their children are included, many European cities have an immigrant population of 30 percent). How should migrants fit into 'our' society?

In France, Pierre Bourdieu's analysis of inequality can be situated between Marx and Weber. At the centre of Bourdieu's theory is the conceptual pair of *habitus* and *field*. These terms replace the traditional oppositions of subject and object, action and structure, determination and freedom (Bourdieu 1980). Briefly and somewhat inaccurately, habitus is society embodied and field refers to society outside this embodied structure. More accurately, subject and object cannot be separated from each other. There is no subject without objective structures, and subjectivity develops only within objectivity; but objective structures only exist on the basis of subjective action. The subject emerges through the embodiment of courses of action, which precede the subject and are objectively prescribed (1984: 170–5). However, these courses of action are themselves modified and renewed through subjective action.

The habitus develops through — mostly unconscious — training. This is exemplified by learning to play a musical instrument or the acquisition of language. Many of these learned dispositions are necessary for a person to act in a society. Bourdieu shows that the dispositions can be interpreted as relevant for social structure in the same way as economic capital. Therefore, he comes up with a broader concept of capital, which includes dispositions, education and material cultural symbols as cultural capital and social relations that one can mobilize in one's favour as social capital (1984: 80–5). In his major work, *Distinction* (1984), Bourdieu focuses on economic and cultural capital. In other works he focuses more on symbolic capital. *Symbolic capital* for Bourdieu is the prestige conferred by a title, a function, or some other personal endowment (1984: 291). For example, economic capital does not only enable a person to buy something, it also gives them a certain prestige. In addition to these types of capital, Bourdieu introduces a host of other varieties in his writings without defining or explicating them. The various forms of capital can be converted into one another. According to Bourdieu, we need to take into account not only the total amount of capital a social group or an individual disposes of, but also the relative strengths of various types of capital and the history of their acquisition (1984: 109–12).

Bourdieu conceives of social structure as the distribution of capital. All social actions require some form of capital and whoever has the greatest amount of socially most valuable capital has a leading position in society. And as he claims that all fields have an identical (or more precisely, a 'homologous') structure or attribute the same value to any type of capital, social structure can basically be reduced to one single field (1984: 113). In *Distinction* this field is aesthetic consumption, or taste. Social groups differ in capital, which offers them differing possibilities of action within the field. These differences are the basis of differential social positions, which are the basis for the existence of classes. However, Bourdieu distinguishes between the difference in social positions from an observer's perspective and active distinctions between classes (classifying and classified class) as well as a conscious class (mobilized class).

For Bourdieu, any social collective results from a process of classification and self-classification whose social recognition depends on the distance/proximity from the legitimate culture. Social class does not exist a priori as in Marx's framework of analysis, but it is the product of this classification clash (conflict), which is fought in order to impose a specific social representation. This process implies the exercise of symbolic violence.

In Bourdieu's approach the occupational division of labour plays a pivotal role. However, differently from Marx, the class structure does not depend solely on the ownership of the means of production, which rules out some specific occupations. His model of the class structure depends on three different dimensions. The first dimension is the distribution of the total volume of both economic and cultural capital. The second dimension takes into account the composition of the capital: i.e.: the relative incidence of economic and cultural capital. The third dimension differentiates according to the trajectories, or according to the stability over time in the volume and the composition of the capital. The class structuring is an inherently dynamic process. All these three dimensions are conceived as continuous variables, the identification of discrete class is just a heuristic convention. These three factors are the constitutive dimensions of the social space.

Even though Bourdieu's approach is a great step forward, there remain several problems with it. On would like to know where the unequal distribution of resources originates. Furthermore, it seems to be a highly descriptive framework of analysis. What are the determinants of the dynamics of capital distribution? Economists would state that in Bourdieu's approach, income and wealth distributions are exogenous and need integrating in this framework of analysis. Finally, Bourdieu focuses on the European nation state and professions and therefore excludes most social formations and groups, especially in the global South.

Michael Vester (2003) has developed Bourdieu's approach further by including the historical dimension. The lack of this inclusion has been a major shortcoming both of sociological and economic approaches. Vester has interpreted Bourdieu's analysis of social structure as a historical development of habitus groups. In Vester's approach, capital is less relevant than habitus. Each generation trains the next generation in activities that are valuable for the particular social environment, e.g. physical characteristics in the working class and erudition in the intellectual elites. On this basis, each habitus group establishes a "tradition line", an idea the Vester derived from E.P. Thompson. Vester (2003) offers an analysis of German society – amended by examples from other European nation states – that groups the population into "milieus". This approach solves some problems in Bourdieu's approach but still suffers from many of the same shortcomings.

An approach of economics that includes qualitative factors in the analysis of inequality and, like Bourdieu, focuses on the notion of capital has been the theory of human capital. This theory conceives the supply of skills as a consequence of the behaviour of income-maximising individuals with specific time preferences. The rate of return of their investment also depends on individual characteristics such as IQ (merits). As far as the demand side is concerned, training activities pursue the increase in individual productivity and the establishment of a wedge between individual productivity and the real wage.

However, human capital formation is not only a result of rational individual choices, but it also depends on both the class nature and the requirements of the production process. Here are two examples about the relationship between education and the requirements of the productive system. They show clearly how individual educational choices are actually affected by the industrial fabric, which means that the individual's calculation is not intelligible without looking at social institutions. The first example concerns the evolution of education in the Netherlands. It reflected the interest of capitalists in the skill formation of the masses. In particular, as early as the 1830s, industrial schools were established and funded by private organizations, representing industrialists and entrepreneurs. Ultimately, in the latter part of the nineteenth century, the state— urged by industrialists and entrepreneurs—started to support these schools (Wolthuis 1999).

The second example refers to training of blue-collar workers. In the late 1910s, technologically advanced industries demanded craft labourers who were trained in geometry, algebra, chemistry, mechanical drawing, and related skills. The structure of education was transformed in response to industrial development and the increasing importance of human capital in the production process, and American high schools adapted to the needs of the modern workplace of the early twentieth century. Total enrolment in public secondary schools increased seventyfold from 1870 to 1950 (Kurian 1994). The relationship between schooling and the distribution of income cannot be understood with a model which lacks a theory of reproduction, for a central aspect of this relationship is the role played by the school system in legitimating economic inequality. Reproduction has not been studied very much by economics but is central to the non-quantitative traditions of sociology. Therefore, the inclusion of qualitative factors into the economics of inequality leads back to the sociological tradition of Bourdieu. While capital in the human capital approach remains a matter of individual strategies, in Bourdieu's approach it is a matter of social structure and its reproduction.

2 Inequality in Contemporary Capitalism

2.1 Sociological approaches

The quantitative tradition continues to be the most visible and influential approach in research on inequality. Methodology and measurement instruments have become very sophisticated, especially due to the development of IT. At the same time, social structure analysis increasingly discards simple models of stratification based on professions alone. Instead, the influence of discussions on intersectionality in the 1980s and 1990s (cf. Krizsán 2012) as well as Bourdieu's work has led to the adoption of multivariate analyses in the quantitative tradition. The term intersectionality indicates that different dimensions of inequality, such as profession, income, race and gender, cannot be reduced to one basic variable but tend to reinforce each other.

Against this background, quantitative research has adopted various strategies to assess and measure different dimensions of inequality. Apart from merely descriptive cluster analyses, two approaches of research seem to be particularly influential. One is the focus on life-styles or habitus as the variable, which combines different dimensions of inequality. This approach is adopted by scholars like Peter Berger (1990) or Gerhard Schulze (1996). The very influential German Sinus Institute has proposed a model of milieus for most European and some non-European societies that is based on similarities between individuals in their taste. Even though this model clearly draws on Bourdieu's *Distinction*, it has no theoretical ambitions and remains entirely descriptive. This distinguishes the milieu approach developed by Vester from the Sinus Institute.

The other approach of more quantitative research overlaps with the structural and the intermediate traditions. Instead of the synchronic perspective, it adopts a diachronic perspective by focusing on the life-course. An influential school has been established by Hans-Peter Blossfeld, who studies itineraries through social structure and especially the role of education. Blossfeld and his institute have conducted many large-scale studies in several Western countries on life-courses (e.g. Blossfeld et al. 2005). These are very important contributions to inequality research because they show the modes of generation and reproduction of inequality. However, Blossfeld lacks a general theory of inequality.

Exactly the opposite is the case with the two most influential systems theories developed in sociology. They offer a general theory of society but little empirical research. However, they are the first theories that explicitly refer to the global scale and propose to explain global inequality. Whereas almost all research on inequality until the 1990s has focused exclusively on the nation state, contemporary research aims at including the global and the transnational dimensions (Berger/Weiss 2008). To a significant degree, this is the achievement of the two systems theories developed in the 1970s.

While Niklas Luhmann based his theory of world society on Parsons and biology, Immanuel Wallerstein developed his world systems theory out of a critical reading of Marx. According to Luhmann, society can be interpreted as a functional integration of systems that follow an internally independent regulation, which has to accommodate the external requirements of the relation to other systems. Each system is defined by its medium of regulation. Society as a whole is defined by the medium of communication. Luhmann extended his theory to the global level in 1975 by postulating that communication has become globalized. This implies that society had to be analysed on a global level. Luhmann (1975) coined the term "world society" and called for redefining the unit of sociological analysis as the world. The issue of inequality had been absent from his theory until he visited Brazil and began to deal with the topic in the framework of his established theory. He defined inequality as exclusion from social systems, e.g. education or power. Luhmann's students have continued this line of research by studying forms of exclusion in the world society (cf. Wobbe 2000; Heintz et al. 2005).

Immanuel Wallerstein published his global theory at the same time as Luhmann. He also claimed that any social phenomenon of the present had to be studied in the context of the world system (Wallerstein 1974). However, instead of a functional theory, Wallerstein proposed a structural theory of power. Its core consists of Marx's distinction between capital and labour, which Wallerstein merely amplified to the global level. The exploitation of labour by capital takes place within the nation state but also of poor by rich states (or former colonies by Euro-America). The only difference between Wallerstein and Marx consists in the absence of dialectical thought in Wallerstein's theory. While Marx develops the apparent form of contemporary society out of the mediation of the opposition between capital and labour (or, more precisely, the self-contradicting nature of labour in capitalism), Wallerstein poses a mediating class between capital and labour. On a global level, he distinguishes between centre, semi-periphery and periphery. The semi-periphery is supposed to mediate conflicts and to give the periphery hope for upward social mobility. Wallerstein's theory has been adapted to contemporary globalization (e.g. Therborn 2008) and is still as relevant as Luhmann's theory.

A new approach to inequality has been elaborated within a third type of systems theory, which is complexity theory. Sylvia Walby (2009) has constructed a theoretical framework that interprets the social world as a 'global fitness landscape' shaped by disjunctive systems which adapt to this landscape according to 'path dependencies' in a non-causal way. Walby proposes studying each system from the perspective of economy, polity, civil society and violence. On this basis, she presents a theoretical and empirical analysis of the world's structure. However, her empirical base is restricted to the familiar Western environment, analysed in a familiar way in terms of the opposition of social democracy and neoliberalism.

The general theories of systems have their charm and virtues but they remain too abstract to explain empirical phenomena, especially as far as the interaction between global, national and local dynamics is concerned. Recent attempts at the analysis of global and national inequality have been marked by their close interdependence as well as an escalation in complexity (Schuerkens 2010). Nevertheless, they have yet to develop an appropriate theoretical lens. One interesting attempt is Raphael Kaplinsky's book on inequality (2006), which explains global inequality as resulting from Western protectionism. He bases his argument on an analysis of global value chains, which concentrate the production of surplus value in the global North. Increasing productivity and the subsequent reduction of prices, already observed by Marx, fails to benefit the global poor because of overproduction, unemployment and lack of state control (Kaplinsky 2005: 208-25).

A good example of the state of sociological concepts offers a reader edited by Held and Kaya (2007). In the contributions of Gösta Esping-Andersen and Robert Wade the more Weberian tradition, which distinguishes an 'Asian' capitalism from social democracy and neoliberalism, has a voice in the reader as well. What is utterly lacking in this collection, however, is a perspective on (and from) emerging societies – i.e., an acknowledgement of the post-Eurocentric structure of the world. This type of research is becoming increasingly important. While almost all research on inequality has been based on theories and concepts developed with regard to Western societies, they have been applied rather recklessly to other societies. On the one hand, empirical research on inequality in the entire global South forms a much smaller body of literature than that on either Germany or Great Britain. On the other hand, almost no concepts have been developed in the global South, apart from those referring to the specific situation of colonialism and postcolonialism. It still remains to be demonstrated what is common between inequalities in colonial, postcolonial and Western contexts. However, it has become evident at least that culture, national institutions and history matter for inequality (Rehbein 2011). It is therefore very important to develop theories of inequality in the global South and comparisons between various regions.

A theory of inequality in the global South has been developed by Jessé Souza (2007). He argues that societies in the global South can only be understood against the background of colonialism and modernization programmes. They established a structure, which reminds of Wallerstein and dependency theory by creating an unequal relation between the centre and the rest. Souza deviates from Wallerstein, however, by his focus on the symbolic dimension. While economic and political dependency has largely disappeared, the unequal relation between centre and periphery has been embodied as a system of meaning. This system also informs national and local inequality by establishing a racism that declares characteristics of the modern centre (such as white skin, urban residence, Western education) as superior and characteristics of the underdeveloped periphery as inferior. Thereby, inequality in a postcolonial society is legitimized.

2.2 Sources of income inequality in the economic literature

Even scholars like Amartya Sen, who are very sensitive to the question of Eurocentrism, regularly invoke universal concepts of socio-economic inequality without considering the local context or seeking out indigenous concepts of (in)equality. Nevertheless, Sen may have been the first (after Marx) to seriously address the question of why one should study inequality at all. He agreed with Marx that research on inequality should seek to discover the structures that prevent people from leading the kind of life they 'have reason to value', and that the problem with inequality is that many people do not have this option (Sen 2006: 35). And both agree that the root of the problem is an unequal distribution of resources and the symbolic legitimation of this distribution. However, both propose a rather mechanistic genesis for these structures as well as the somewhat simplistic solution of redistribution.

Economics has not developed Sen's approach much further. It rather mostly sticks to approaches that cannot offer a general perspective on inequality. However, each approach has certain virtues that are still relevant for a research agenda today. In the economic literature eight different approaches can be outlined in the analysis of inequality. As inequality is a very complex and multi-dimensional phenomenon, each approach specifies a possible source of inequality, without ruling out the relevance of the other approaches; these approaches are not mutually exclusive.

1. *Human capital.* The human capital approach is the main theoretical framework used by neoclassical economists in order to explain the different individuals' earning profile in time (Becker 1964; Mincer 1974). For our purposes, it is important to mention that human capital theoretical apparatus analyses the process of skill formation from two different perspectives. On the one hand, this approach takes into account the individual educational choices, based on a constrained maximisation process. According to this approach, individuals invest in years of education for as many years so that the return to this investment is greater than the one of any alternative financial investment. The earning profile of a worker depends on the amount of this investment, whose level is substantially affected by two factors: the individual ability and the background characteristics such as gender, parental background and income. On the other hand, assuming a perfectly competitive labour market, Becker started the analysis of skill formation in firms through different typologies of training (on-the-job, off-the-job, ...). He introduced the pivotal distinction between specific and general training[2] and showed that, while for employers it can be convenient to contribute to investment in specific training, the onus of general training weighs totally on the employees' shoulders, as the risk of free-riding by other employers can make investment in general training of little value. More recent developments in human capital theory (Acemoglu, Pischke 1998, 1999) have demonstrated that abandoning the assumption of perfect competition, in either the labour or the product market, can create the conditions for financing of investments in general training by employers. This makes training less quantifiable and less of an individualistic affair. From both perspectives, inequality stems from a process of skill formation. In the analysis of individual educational choices, inequality depends on the level of investment in years of schooling, which in turn, depends on both background and individual characteristics; in the analysis of training activity in firms, inequality results from the decisions taken both by employers and employees.

   From Bourdieu's perspective, education aims at favouring the reproduction of the existing social order, based on an unequal distribution of resources (capital). Of course, this approach to education

[2]Specific training augments employees' productivity only in the firm where training activity has been actually carried out; general training increases the workers' productivity in any firm.

is incompatible with the human capital approach, as the latter rules out class concepts. This provides an interesting perspective for economists since it points to the social function played by the processes of formation/cumulation of human capital. As a matter of fact, one "must ask not only how variations in the level of investment affect the level of output and growth rates [and individual productivity], but also how the structure of human capital formation affects the social relations of production and the evolution of class relations" (Bowles, Gintis, 1975). Human capital formation is not only a result of rational individual choices, but it also depends on the class nature of the production process. In this "formulation, schooling may influence the rate of growth positively or negatively in ways which go considerably beyond the human capital theorist's notion of "labour quality": through its role in the extension and reproduction of the wage-labour system, through its capacity to attenuate class conflict and thereby to alter the rate of capital accumulation, and so on."...(Bowles, Gintis, 1975). The analysis of the return to investment in education and human capital should be embedded within a framework including the societal class composition. Reduction in inequality is not only a mere result of the amount of investment in education or training. "The relationship between schooling and the distribution of income cannot be understood with a model which lacks a theory of reproduction, for a central aspect of this relationship is the role played by the school system in legitimating economic inequality. Thus, it is illogical to suppose that the reduction in inequalities in the distribution of schooling might lead to changes in income inequality in any particular direction. Major changes in the distribution of human resources will predictably be associated with changes in the structural relationships (earnings functions) relating schooling to individual income. Indeed, an equalization of education might radically reduce economic inequality, not directly, but rather by undermining the legitimacy of inequality and thus enhancing the potential for a thoroughgoing reorganization of economic institutions" (Bowles, Gintis, 1975).

2. *The effect of skill-biased technical change.* This approach emphasizes the role played by the introduction of new technologies, and the organisational restructuring encompassed by these new technologies, in the relative demand for highly skilled workers with respect to middle-skilled employees. This occurs because new technologies are complements to the working activities of highly-skilled employees and can substitute for middle-skilled workers (Goldin, Katz, 2007). Jobs related to routinized skills, both cognitive and non-cognitive, seem to be the most severely hit by this dynamics, giving rise to a remarkable downsizing of middle-income earners. The overall effect of this process has been the polarization of the distribution of jobs in the US and most European countries (Autor et al. 2007; Goos, Manning, Salomons 2009) with both an increase in jobs related to non-routinized cognitive skills, in the upper tail, and an increase in non-routinized non cognitive job posts in the lower tail. The number of middle-skilled jobs related to routinized cognitive and non cognitive tasks has shrunk quite drastically, as a result of the techno-organizational change associated with the intensive introduction of computers in work process and organization. This change in the intensity of relative demand for skills seems to be consistent with Bravermann's (1974) approach who maintained that technological innovation was responsible for de-skilling of a component of the workforce. The same story, but from a different perspective, can be told as far as the analysis of the impact of the introduction of HPWP (High Performance Working Practice) is concerned, resulting in a flattening of the hierarchical structure in firms, due to a drastic downscaling of the middle-management.

3. *Internationalization of production.* There is a wide range of literature on the effects of globalisation of markets on inequality (Mills 2008). The effects diverge according to the countries involved. The new international division of labour is deeply affected by the phenomena of outsourcing and offshoring, favoured both by the new institutional setting of international trade and the rapid spread of ICT in manufacturing activities. Roughly speaking, firms keep in advanced countries highly skilled activities with few highly paid employees, while cutting down jobs and wages for medium and low skilled office and factory workers, whose jobs are more likely to be transferred to low wage developing countries. Basically, these events go in the same direction as the skill-biased technical change, giving rise to an increase in relative demand for highly-skilled workers with respect to medium-skilled ones. The outcome in these rich countries is a rise in wage inequality, and deeper polarisation of jobs and skills. Nevertheless, the effects of globalization on developing economies can be quite different. As a matter of fact, globalisation can favour the process of industrialisation

and job creation. New employment opportunities arise and the gap between the highly-skilled and the low-skilled wage earners narrows (Mills 2008). As a result, in developing countries outsourcing and off-shoring of economic activities, carried out by firms whose main site remains in advanced countries, favour a process of restraint and decrease of inequality.

4. *Labour market institutions.* Three different types of institutions have to be taken into account, as key determinants of income inequality and its dynamics. Firstly, the range of labour contracts and the laws which regulate them affect the bargaining power of workers. The easier the activation of individual fixed-term labour contract, the weaker is the bargaining power of workers. Secondly, the degree of unionisation of the workforce matters. Thirdly, the existence and the degree of coverage of collective bargaining has an effect. The role and the evolution of these three factors has deeply influenced the dynamics of income inequality, changing the balance of power in the process of wage bargaining. Without going into detail too much, the deregulation of the labour market of these last years has weakened collective bargaining, in favour of a vis-à-vis contracting between the employer and the employee. This has been probably one of the crucial explanatory factors in the increase in inequality experienced in most European countries in these last years (OECD 2012).

5. *Role of the Welfare state.* Another effect of the deregulation process developed in these last years has been the downsizing of the role of the State as both economic actor and manager of the process of income distribution between profits and wages. The dismantling of the welfare state and the weakening of the redistributive role played by the government through progressive tax policy have favoured the soaring of inequality. The example of Sweden is clear and vivid. A clear-cut consequence of this process is the decrease in the provisions of public goods by governmental institutions due also the the implementation of intensive programmes of privatisation (Freeman, Swedenborg, Topel, 2010).

6. *Inequality.* The basic idea is that inequality can be conceived as an autoregressive process, where the degree of past inequality affects present inequality. This is related to recent analysis by Brunori, Ferreira and Peragine (2013) where the impact on inequality of exogenous factors such as birthplace, gender, race, family background, is investigated. They have found that a remarkable percentage of income inequality can be explained by these exogenous factors. Of course, the relevance of these factors, which obviously individuals cannot influence, varies from country to country. The contribution of the three scholars highlights how inequality in opportunities deeply affects inequality in income distribution. Empirical evidence shows a negative correlation between inequality index and intergenerational mobility: the higher the level of inequality, the lower the possibility to improve the relative position in the social hierarchy. In addition to that, they have found a strong correlation between the educational level of parents and children. A relevant component of income inequality does not depend on the individual behaviour, but on the background traits: *qualis pater, talis filius.*

7. *Models of capitalism and institutional complementarities.* Starting from the 1990s, institutional economists have developed a theoretical framework based on the notion of institutional complementarity (Amable 1999; Aoki 2001). The basic idea of this approach is that institutions, defined by North (1990) as "humanly devised constraints imposed on human interaction", interact among themselves, giving rise to institutional equilibria. Each of these equilibria affects the operation of markets and of all economic actors involved. Roughly speaking, the performance of markets also depends on these complementarity relationships and not only and simply on the interaction between demand and supply forces. Certainly, demand and supply matter, but their working cannot be abstracted from the institutional context and the network of interacting institutions which constitute it.

   This approach has originated a large number of divergent classifications of types of capitalism and has been also widely adopted to discuss the relationship between the process of skill formation and labour market institutions. The idea is that the institutional architecture affects the individual choices at both firm's and employees' level. Particularly, this framework of analysis emphasizes how individual propensity in human capital investment depends on some institutions operating in the labour market. Particularly, the approach by Estevez-Abe, Iversen and Soskice (1999) points to the degree of protection that the individual enjoys in the labour market. Protection in the labour market can have two different meanings. On the one hand it can be intended as employment security. On the other hand, it refers to income protection in spells of unemployment. Employment protection favours employees' investment in firm-specific skills, as it positively affects job tenure. Differently, unemployment protection favours employees' investment in industry-specific skills, as the individual can withstand spells of unemployment, without dramatic decrease in the level of income. This literature allows the understanding of how models of capitalism affect the process of human capital formation, structuring the employment relations between employees and employers. The employment relations implied in table 1 range from the monopsonistic arrangement of the Japanese labour market to the American model, which approximate the perfect competition model, passing through intermediate settings, Germany and Denmark. Similarly to the human capital approach, the literature on models of capitalism emphasizes the process of skill development as potential source of inequality. The main difference between the two approaches lies in the role played by individual choices. The human capital approach conceives the process of skill formation as the solution to a problem of constrained maximisation of an individual objective function, as it is always the case in neoclassical economics; the institutionalist literature stresses the role played by institutions in orienting the path of this process. In conclusion the difference lies in the factors promoting investment in human capital, not in the notion of human capital itself.

		Employment protection	
		Low	High
Unemployment protection	High	Industry-specific skill (DK)	Industry specific, firm specific skill mix (GERMANY)
	Low	General skills (USA)	Firm-specific skills (JAPAN)

Table 1: Employment Relations

8. *The governance of firms.* The ways the governance of firms affects inequalities can be grouped into two different streams of the economic literature.[3] First of all, it is important to highlight the literature on internal labour markets and their evolution in time. Departing from the seminal contribution by Doeringer and Piore (1971) and their description of a typical Fordist manufacturing firm, Aoki (1988) and Marsden (1999) have both developed and enriched the descriptive framework. Aoki has analysed in detail the operation of the so-called J firm, whereas Marsden has successfully integrated the analysis of systems of production and training with the study of model of capitalism. Both of them have shown the rising of different remuneration system within different institutional context of production. Aoki's analysis focuses on the Japanese organisation of work and production, whereas Marsden develops a more general framework of analysis discussing the intermingling between the organisation of production and the training system. Secondly, it is worth mentioning the vast literature on the remuneration of top management and the rise of top income, if only for the lasting and bitter controversy it has raised in main western countries (Atkinson, Piketty, Saez 2011). This aspect of inequality is related to the microeconomic (mis)-management of markets accounting for the decrease in the degree of competition among firms and the consequent arising of oligopolistic positions (Stiglitz 2012).

3 Critical Assessment

Those studies that have focused on structures instead of numbers have almost exclusively used theories modeled on the basis of research undertaken in Western Europe and North America. Research on inequality has been rather Eurocentric. This is regrettable, since alternative approaches to the analysis of social structure are already at hand. An excellent non-Eurocentric approach is found in Yoshio Sugimoto's *Introduction to Japanese Society* (2005). Rather than insisting on the peculiarities of Japanese culture, Sugimoto argues that Japan must be analysed just like any other society. At the same time, he demonstrates that the application of concepts derived from the analysis of Western societies fails in this

[3] A third stream of the literature on systems of governance of firms and production has been discussed in the section about internationalisation.

task by pointing to the persistence of historical structures (or path dependency), which he exemplifies with reference to the symbolic sphere. He uses the conceptual tool of 'subcultures' (which resembles the concept of 'milieu' utilized by Vester et al. 2001) to make sense of intersecting inequalities and persisting hierarchies in Japan.

It is important to acknowledge that nation states have different histories and therefore rather different institutions and configurations of inequality. The introduction of capitalism and the standardization of the institutions of the nation state according to a Western model may lead to a convergence of some aspects of inequality but they do not erase history. Any research agenda on inequality has to abandon empty universalism in favour of a more localized empirical approach. This does not exclude generalizations but these have to be empirically grounded. Any theory has to make plausible that its propositions apply to different empirical cases around the globe.

Furthermore, the issue of transnationalism needs to be addressed. The exclusive focus on the Western nation state has tended to exclude the relevance of trans-border, local and regional configurations of society and inequality in the global South. By now, the issue of migration to Western nation states has pushed transnational structures into the centre of research on inequality (cf. Berger/Weiss 2008).

The origin of research on inequality in the works of Adam Smith and Karl Marx has resulted in a strong bias towards the relation of economic capital and labour. Even from Pierre Bourdieu's model, house-workers, students, pensioners and informal workers are largely absent. This means to exclude more than half of Western populations and up to ninety percent of Southern populations from the discussion of social structure and inequality.

It has become evident that inequality research has to combine a global framework with very precise local knowledge (Rehbein 2011). No phenomenon of inequality is intelligible without taking the impact of globalization into account but any phenomenon of inequality exists in a localized context. Research on transnational structures of inequality, comparative research between inequality in different nation states and a better understanding of reproduction of inequality are absolutely necessary at this point.

This provides an interesting perspective for economists since it points to the social function played by the processes of formation/cumulation of human capital. As a matter of fact, one "must ask not only how variations in the level of investment affect the level of output and growth rates [and individual productivity], but also how the structure of human capital formation affects the social relations of production and the evolution of class relations" (Bowles, Gintis, 1975). Human capital formation is not only a result of rational individual choices, but it also depends on the class nature of the production process.

Each of the economic approaches outlined in the previous paragraphs can catch a part of the story of inequality but it has to be framed within the approach of the models of capitalism (Aoki, 2001, 1999, Amable, 2003). Economic dynamics are regulated by the institutional framework in which they develop and, therefore, the approach of the models of capitalism provides the much needed analytical tools not only to understand and interpret these dynamics but also to complement the other theoretical attempts worked out to interpret the phenomenon of inequality. As maintained in section 2.2, the analysis of human capital formation through some form of training can be properly understood only if one takes into account the model of capitalism in which the firms operate, because the model itself affects the firm's propensity to privilege a specific form of training over another. As discussed, the propensity to emphasise a specific form of training depends strictly on the complementarity relationship established between different institutions. This interaction between institutions implicitly defines the level of inequality considered acceptable within a given economic system. Consider the two polar cases, US and Germany. In the former case both employment and unemployment protection are totally missing, in the latter employees enjoy both kinds of protection. The lack of any buffer against any possible drop in the level of income of the American system compared to the articulated forms of assistance guaranteed by the German welfare system point to the different threshold of tolerated inequality which characterises each model of capitalism. The operation of institutions affecting the labour market contain an inherent level of inequality beyond which the public authority is bound to intervene. In the case of the US this threshold is substantially higher than in Germany or in the so-called Scandinavian model, because the operation of institutions in the US does not relieve from the risks inherent in the working of a flexible labour market. As a result it seems that the ultimate determinants of inequality are the factors themselves which bring about the prevailing of a specific model of capitalism in an economic system. For this reason the class composition of a socio-economic system, which to a first approximation is a key determinant of the structuring of the institutional complementarities at the base of a specific model of capitalism, has to be taken into account, if one wants to understand with no prejudice the rise and the dynamics of inequality.

A relevant research agenda has to come up with a revised model of class. It has to take the issues of models of capitalism and histories, of transnationalism and of non-labour activities into account. The unit of analysis should be global in the last instance. However, as research has to be empirically grounded and locally sensitive, a deductive and universalist approach is no longer feasible. The model of class needs to focus on reproduction of inequalities without falling back into simple reductions as the opposition between capital and labour or a ranking of professions. It also needs to make sense of the individualization of life-styles and tastes, which makes the class structure of society invisible.

References

Acemoglu D., Pischke J.S. (1998), Why do firms train? Theory and evidence, *Quarterly Journal of Economics*, vol. 113, pp. 79-119.

Acemoglu D., Pischke J.S. (1999), Beyond Becker: Training in Imperfect Labour Markets, *The Economic Journal*, Vol. 109, No. 453, pp. F112-F142.

Amable B. (2003), *The Diversity of Modern Capitalism*, Oxford, Oxford University Press.

Aoki M. (2001), Toward a Comparative Institutional Analysis, The MIT Press, Cambridge, Massachusetts, London, England.

Aoki, M. (1988), *Information, Incentives, and Bargaining in the Japanese Economy*, Cambridge, Cambridge University Press.

Atkinson A. B., Piketty T., Saez E., (2011),Top incomes in the long run of history, *Journal of Economic Literature*, vol. 49, no 1, pp. 3-71.

Becker G.S. (1964), Human Capital, New York, Columbia University Press.

Berger, Peter A. (ed.) (1990): Lebenslagen, Lebensläufe, Lebensstile. Göttingen.

Berger, Peter A./Anja Weiss (eds.) (2008): Die Transnationalisierung der Sozialstruktur. Wiesbaden: VS.

Blossfeld, Hans-Peter, E. Klijzing, M. Mills, K. Kurz (2005): *Globalization, Uncertainty and Youth in Society.* London/New York: Routledge.

Bourdieu, Pierre (1984): *Distinction.* London: Routledge and Kegan Paul.

Bowles S., Gintis H. (1975), The Problem with Human Capital Theory. A Marxian Critique, *The American Economic Review*, Vol. 65, No. 2, Papers and Proceedings of the Eighty-seventh Annual Meeting of the American Economic Association, pp. 74-82.

Breen, Richard (ed.) (2004): *Social Mobility.* Oxford: Oxford University Press.

Brunori P., Ferreira F., Peragine V. (2013), Inequality of Opportunity, Income Inequality and Economic Mobility. Some International Comparisons, World Bank Policy Research, Working Paper 6304.

Doeringer P. B., Piore M. J (1971), *Internal Labor market and manpower analysis*, New York: D.C. Heath and Company.

Estevez-Abe M., Iversen, T., Soskice D., *Social Protection and the Formation of Skills: A Reinterpretation of the Welfare State*, in Hall P., Soskice D., (eds) (1999), Varieties of Capitalism: The Institutional Foundations of Comparative Advantage. Oxford and New York, Oxford University Press, 145–83.

Freeman R., Swedenborg B., Topel R. (2010), *Reforming the Welfare State: Recovery and Beyond in Sweden*, Chicago, The University of Chicago Press.

Geiger, Theodor (1932) *Die soziale Schichtung des deutschen Volkes.* Stuttgart: Enke.

Geißler, Rainer (1996; second edition) *Die Sozialstruktur Deutschlands.* Opladen: Westdeutscher Verlag.

Goldthorpe, John H. (2007): On Sociology. Stanford: Stanford University Press.

Goldin C., Katz, L. (2007), Long-Run Changes in the Wage Structure: Narrowing, Widening, Polarizing, *Brookings Papers on Economic Activity*, n. 2, pp. 135-65.

Heintz, Bettina, Richard Münch, Hartmann Tyrell (eds.) (2005): Weltgesellschaft. Theoretische Zugänge und empirische Problemlagen, Stuttgart: Lucius & Lucius.

Held, David/Ayse Kaya (eds) (2007): *Global Inequality.* Cambridge: Polity Press.

Hradil, Stefan (1986): Die Sozialstruktur Deutschlands im internationalen Vergleich, Opladen: Westdeutscher Verlag.

Jomo, K.S./J. Baudot (eds): *Flat World, Big Gaps.* London: Zed 2007. Kaplinsky, Raphael (2005): *Globalization, Poverty and Inequality.* Cambridge: Polity Press.

Krizsán, Andrea (2012): Institutionalizing Intersectionality, Basingstoke: Palgrave Macmillan.

Luhmann, Niklas (1975): Die Weltgesellschaft", in ders.: Soziologische Aufklärung 2, Opladen: Westdeutscher Verlag (51-71)

Lucas R. (2004), The Industrial Revolution: Past and Future, *The Region*, Federal Reserve Bank of Minneapolis, pp. 5-20.

Kuznets S. (1955), Economic growth and income inequality, *The American Economic Review*, Vol. 45, No. 1, pp. 1-28.

Marsden D. (1999), *A Theory of Employment Systems: Micro-Foundations of Societal Diversity: Micro-Foundations of Societal Diversity*, Oxford, Oxford University Press.

Marx, Karl (1953ff): *Marx-Engels-Werke* (MEW). Berlin: Dietz

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

Mincer J. (1974), Schooling, Experience, and Earnings, New York, Columbia University Press.

Nederveen Pieterse, Jan (2009): 'Twenty-first Century Globalization: Global Sociology', in: *Globalization and Emerging Societies* (ed. by Jan Nederveen Pieterse/Boike Rehbein). Basingstoke: Palgrave Macmillan (15–38).

North D. (1990), *Institutions, Institutional Change and Economic Performance*, Cambridge Mass., Cambridge University Press.

OECD (2011), *Divided We Stand: Why Inequality Keeps Rising*, OECD Publishing.

Parsons, Talcott (1939): 'The Professions and Social Structure', in: *Social Forces*, Vol. 17, No. 4 (457-467)

Pasinetti L, (1977), *Lectures on the theory of production*, London, Macmillan.

Rehbein, Boike (ed.) (2011): *Globalization and Inequality in Emerging Societies.* Basingstoke: Palgrave Macmillan.

Ricardo D. (1815), *An Essay on the Influence of a Low Price of Corn on the Profits of Stocks*, reprinted in Sraffa P. (1951) (ed.), The Works and Correspondence of David Ricardo, Cambridge, Cambridge University Press.

Schuerkens, Ulrike (ed.) (2010): *Globalization and Transformations of Global Inequality.* London/New York: Routledge.

Schulze, Gerhard (1996): Erlebnisgesellschaft, Frankfurt/New York: Campus.

Sen, Amartya (2006): 'Conceptualizing and Measuring Poverty', in: *Poverty and Inequality* (ed. by David B. Grusky/Ravi Kanbur). Stanford: Stanford University Press (30–46).

Smith, Adam (2007): The Wealth of Nations, Petersfield: Harriman House.

Souza, Jessé (2007): Die Naturalisierung der Ungleichheit, Wiesbaden: VS.

Stiglitz J. (2012), The Price of Inequality, New York London, Norton. Sugimoto, Yoshio (2003; second edition): *An Introduction to Japanese Society.* Cambridge: Cambridge University Press.

Therborn, Göran (2006): Inequalities of the World, London: Verso.

Vester, Michael/von Oertzen, Peter/Geiling, Heiko/Hermann, Thomas/Müller, Dagmar (2001): *Soziale Milieus im gesellschaftlichen Strukturwandel.* Frankfurt a. M.: Suhrkamp.

Walby, Sylvia (2009): *Globalization and inequalities: Complexity and Contested Modernities.* London: Sage.

Wallerstein, Immanuel (1974) 'The Rise and Future Demise of the World Capitalist System: Concepts for Comparative Analysis', in: *Comparative Studies in Society and History*, Vol. 16 (387–415).

Weber, Max (1972; fifth edition) *Wirtschaft und Gesellschaft.* Tübingen: Mohr.

Wicksell K. (1893), Value, Capital and Rent, English translation (1954), London, G. Allen & Unwin Ltd.

Wobbe, Theresa (2000): Weltgesellschaft, Bielefeld: transcript.