

Socio-economic Inequality in the ‘Postmodern’ Perspective

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I. Introduction

Every society has its form of inequality. Inequality exists regardless of government system (e.g., capitalism vs. socialism), the degree of industrialization or historical development. What brings into existence inequalities in income or property? Inequality may be attributed to unequal distribution of scarce social resources, such as economic affluence and social status. This may prompt us to harbour an ideal of complete socio-political equality. This, however, leads to inefficiency, which, in turn, can make an economy collapse. On the other hand, too much emphasis on efficiency may lead to increased inequality. Thus, there seems to be a fundamental trade-off between equality and efficiency. There have been debates between those who believe that inequality should be removed and those who accept inequality as an inherent part of social constitution. In this essay, we discuss socio-economic inequality in a consumer society, in terms of distributive justice in major social theories.

II. Why is (in) equality matter?

To discuss the social theory of postmodernity, specifically how it addresses the problems of

socio-economic inequality, we first have to understand why exactly inequality (or, equality) matters in the theory. Why are we, as human beings, as citizens, considered to be meant to be equal? Equality can be safely said to be a part, and in fact a major part, of social justice, which John Rawls discussed extensively.

II.A. Rawls' theory of justice

Justice for Rawls is "Justice as fairness". Justice is of prime importance for Rawls, an egalitarian liberal, who believes that in a fair society, where justice is the constitutive principle, every citizen can exercise his civic and political liberty.

To be more specific, what exactly does "Justice as fairness" mean to Rawls? In other words, what is a society like which is fair and based on the principles of justice? In his view, in such a society, the goods and resources should be distributed fairly, and therefore, justly.

The concept of justice is expressed best by Rawls' following statement:

All social values-liberty and opportunity, income and wealth, and the social bases of self-respect-are to be distributed equally unless an unequal distribution of any, or all, of these values is to everyone's advantage. (p.54)

Namely, justice for Rawls is, first and foremost, distributive justice.

Distributive justice is necessary as a constitutive principle of a society because the goods and resources to be distributed in a society are always scarce. There may develop a conflict about the way to distribute the scarce goods and resources, which may in turn lead to a disintegration of a society. To avoid this, Rawls believes, a society needs a certain principle of distribution, and the best in his view is that of distributive justice based on egalitarianism.

To sum up, in Rawls' view, equality (equal distribution) is necessary because without it a society, in this case an unjust society, would be disintegrated.

II.B. Nozick's entitlement theory

Robert Nozick, a libertarian, shares with Rawls the view that justice is an important measure of a society. On the other hand, as to what precisely constitutes justice, the two theorists sharply disagree. The most important respect in which they disagree is the position of distribution in the theory of social justice. Rawls emphasizes just distribution of goods and resources; Nozick is of a completely different opinion. He considers that each person is 'entitled' to his possessions and products of his labor. Nozick argues as follows:

It is not true, for example, that a person earns Y (a right to keep a painting he's made, praise for writing A Theory of Justice, and so on) only if he's earned (or otherwise

deserves) whatever he used (including natural assets) in the process of earning Y. Some of the things he uses he just may have, not illegitimately. It needn't be that the foundations underlying desert are themselves deserved, all the way down. (p.225)

This position amounts to an argument that just distribution of goods and resources, which implies taking away a part of what somebody is 'entitled' to and giving that to another who is not 'entitled' to it, is in fact a violation of basic liberty, which in turn makes this kind of society barely worth calling 'just'.

Then we come to the question: How important is equality in Nozick's entitlement theory? Nozick's view is that liberty, whose major part is 'entitlement', is more important than equal distribution to realize a 'just' society. In other words, distributive equality does not play a major part in social justice; if anything, equality of liberty, i.e., right not to have taken away what someone is entitled to, is the more important. This does not mean, however, distributive equality is not at stake in Nozick's theory; he has to reject the proposition that distributive equality is what counts in order to make his point, which implies that equality really matters in the social theory of postmodernity.

Comparing Nozick's position with that of Rawls', Michael J. Sandel says: "Rawls arrives at a theory of justice on which social and economic inequalities are permitted only in so far as they benefit the least well off, while Nozick holds justice to consist in voluntary exchanges

and transfers alone, ruling out redistributive policies altogether”. (p.67) It would be seen that the difference principle, which based on democratic equality and aims at controlling inequality, permits only those socio-economic-inequalities that work to “the benefit of the least advantaged members of society”. (Sandel, p.66) For example, government must ensure the provision of certain basic needs, such as income, education and health care in order to all citizen will be able to maintain their basic quality of life.

III. Socio-economic inequality in the postmodern consumer society

III.A. Emergence of postmodern consumer society

We are often said to be living in a different society from the preceding ones, and this particular kind of society is sometimes referred to as a ‘postmodern’ society, whose existence presupposes a former ‘modern’ society.

One of the sharpest distinctions between our society and the previous one is, according to Jean-François Lyotard, “incredulity towards metanarratives,” which means that the present society has become less predictable, and we have been obliged to accept this unpredictability as a fact of life.

This is supported by Zygmunt Bauman, who draws a distinction between ‘fluid’ and ‘solid’

modernity. In 'fluid' modernity, things are less predictable and therefore people are less confident about what will happen or what they should do.

A society in which people cannot believe in predictable behavior of the agencies can develop into a consumer society. Bauman states that "postmodern society engages its members primarily in their capacity as consumers rather than producers." (2000 p. 76) In a society where change and unpredictability is the norm, as Bauman says, "goods, services and signals must arouse desire, and in order to do so they must seduce their prospective consumers and out-seduce their competitors." (1998 p.78) He also states that "[t]oday's industry is geared increasingly to the production of attractions and temptations."(ibid) If members of this kind of society were not 'consumers', "the global chase of profit and ever greater profit [would] grind to a halt." (ibid)

This transition from one kind of society to another can be described as follows, from a somewhat different point of view:

Our world is being remade. Mass production, the mass consumer, the big city, big brother state, the sprawling housing estate, and the nation state are in decline: flexibility, diversity, differentiation, mobility, communication, decentralization and internationalization are in the ascendant. In the process our own identities, our sense of self, our own subjectivities are being transformed. We are in transition to a new era".

(Marxism Today)

III.B. Nature of inequality and social strata in postmodern consumer society

As we have seen, the present society is a consumer society, which makes its members desire acquisition of material goods. There they each have distinct desires and act to realize those desires; however, as noted above, resources to realize them are limited and scarce, which fact makes its distribution unequal.

Inequality also emerges as different social strata. Anthony Giddens explains as follows:

Individuals and groups enjoy differential (unequal) access to rewards on the basis of their position within the stratification scheme. Thus, stratification can most simply be defined as structured inequalities between different groupings of people. It is useful to think of stratification as rather like the geological layering of rock in the earth's surface. Societies can be seen as consisting of 'strata' in a hierarchy, with the more favoured at the top and the less privileged nearer the bottom. (2001 p. 282)

Bauman characterizes the present society, in terms of social stratification, as follows:

... the postmodern, consumer society is a stratified one. But it is possible to tell one kind of society from another by the dimensions along which it stratifies its members.

The dimension along which those 'high up' and 'low down' are plotted in a society of consumers, is their degree of mobility-their freedom to choose where to be. (1998, p.86, italics in the original)

What is interesting with Bauman's point here is that the stratification cited in this passage is not the one directly based on the possession of material goods and resources, though, obviously, it is ultimately related to material well-being. This can be taken to mean that the present society is where other kinds of inequality than that along the dimension of material and/or financial affluence, may develop.

As an example of these kinds of inequality, let us cite Bauman's *tourists/vagabonds*. Tourists are those who moves around the world at their own will; vagabonds are those who are forced to move. They both share the basic characteristic of 'mobility', but their purpose and/or reason for that mobility is completely different. (1998 p.92)

Postmodern consumer society creates a world of winners and losers. To put it another way, a globalized world is the one in which only a few pile up vast wealth; on the other hand, the majority are condemned to a life of misery and despair.

IV. Socio-economic inequality and its remedies

IV.A. Growth in inequality under the Thatcher Government

In this section, we will investigate the socio-economic situation of Britain under the Margaret Thatcher Government (1979-1990). Thatcher introduced a “free market” system, which liberal economists believed in, and aimed at a capitalist rebirth of Britain. This kind of society may create economic inequalities, but these do not matter as long as people with determination and ability can rise to positions that fit their capacities. In other words, Thatcher sees equality of opportunity as desirable and necessary. Her policies were, put briefly, based on market fundamentalism, the acceptance of inequality, and the welfare state as safety net. Many regulations were abolished in the financial system. Income tax, which from a socialist viewpoint is meant to help bridge the gap between the rich and the poor through redistribution, was cut.

John Gray documents the growth in economic inequality as follows (p. 32):

Thatcherite policies promoted a striking growth in economic inequality. According to the authoritative Rowntree Report on Income and Wealth, inequality increased in Britain between 1977 and 1990. Since 1977 the proportion of the population with less than half the average income more than trebled.

Under the Thatcher Government, an underclass grew in size. The percentage of British households that are wholly workless increased from 6.5 per cent in 1975 to 16.4 per cent in

1985 and 19.1 per cent in 1994. (Gray, p.30) The government reformed the welfare institutions to compel the poor to take whatever work was available to them. Gray states that Thatcher's attempt to resurrect the free market in late-twentieth-century Britain is instructive not only for its strategies and successes, but for the manner and causes of its downfall. (ibid, p .35) An important point to emphasize is that the Thatcher Government aimed at a 'redistribution' of income from poor to rich via tax and welfare cuts.

IV.B. Hayek's neo-liberalism and conception of equality

Behind Thatcher's choice of her policies was Friedrich von Hayek's neo-liberalism. He pursued equality of opportunity, saying, "formal equality before the law is in conflict, and in fact incompatible, with any activity of the government deliberately aiming at material or substantive equality of different people, and that any policy aiming directly at a substantive ideal of distributive justice must lead to the destruction of the 'Rule of Law'." (p.87). He also says: [I]t is necessary to treat them differently to produce the same result for different people. To give different people the same objective opportunities is not to give them the same subjective chance. Hayek concludes that it cannot be denied that the Rule of Law produces economic inequality ... (p.88) In other words, he rejects the ideal of distributive justice, or equality of outcome, because it is not a practical premise.

IV.C. The Blair Government and Giddens' Third Way politics

Tony Blair's policies were in clear contrast with Thatcher's. He followed Anthony Giddens' "the Third Way" politics. The Third Way politics aims to establish the Social Investment State. According to Giddens, "'the third way' refers to a framework of thinking and policy-making that seeks to adapt social democracy to a world which has changed fundamentally over the past two or three decades." (1998 p. 26) Blair's government abolished the privatization theory based on the opinion of a merit system. Blair aimed for a positive welfare state. To quote Giddens: "The new politics defines equality as inclusion and inequality as exclusion". (1998 p. 102) One example is the exclusion of those at the bottom, cut off from the mainstream of opportunities society has to offer. Blair advocates the new idea of 'liberal social democracy'. Blair talks of a 'stake holder economy', meaning that everyone could take part in the economy. Anyone who worked hard in societies could benefit from policies, benefits and economic growth.

Thatcher and Blair have opposing ideas about the use of 'stakes'. Thatcher believed that an individual was responsible for getting a stake and there was no support when it came to betting. Blair's government, however, gave the stake and provides supports and opportunity to the holder. Recent discussion among social democrats has quite rightly shifted the emphasis towards the 'redistribution of possibilities'. Investment in education is a key basis

of the 'redistribution of possibilities'. Giddens states: “The guideline is investment in *human capital* wherever possible, rather than the direct provision of economic maintenance. (1998 p. 117, italics in the original) Education was an important campaign topic for Blair. He wanted to put children back into school to help with solving the problem of inequality or poverty. Yet the idea that education can reduce inequalities in a direct way should be regarded with some skepticism.

V. Conclusion

Bauman insists that human happiness does not exist in 'fluid modernity', but exists in 'solid modernity'. “‘Solid’ modernity was an era of mutual engagement. ‘Fluid’ modernity is the epoch of disengagement, elusiveness, facile escape and hopeless chase.” (2000 p.120) The theorists of modernity, including Bauman, have tried to reproduce the traditional idea of critical rationality which Westerners have inherited from the Enlightenment, to capitalism and socialism. The socialist collapse brought the collapse of the confrontation between socialism and liberalism. The human intellectual/ideological landscape is changing. People are thinking about what they believe in, who they are and how globalization is affecting them. Postmodernity has changed the framework in which people understand the world.

Political theories have addressed how to reduce inequality. In a time when inequality in social resources, such as income and property, was of major concern to the society,

education and occupation was regarded as means of obtaining economic reward. Today, however, we have begun to view human beings as varied beings, which makes it inappropriate to discuss the issue of inequality only in terms of economy. Blair/Giddens' "the Third Way" deserves attention in this respect.

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