

A Global Caste System and Ethnic Antagonism

By [REDACTED]

SOCI 4086 – CRGE in the Workplace
Research Paper Proposal

[REDACTED]
Student #: [REDACTED]

A Global Caste System and Ethnic Antagonism

Written by [REDACTED]

Introduction:

It has been suggested that we are in transition on an international scale that will “be followed by a newly institutionalized, increasingly globalized international economic order. However, it is the politics of this transition that will determine in large part some of the key elements of that new order” (Riain, 2000, p. 202). This paper will examine how current neoliberal policies, the uneven distribution of wealth, and the globalization of a capitalist free-market system is leading to the racialization of global socio-economic inequality through the development of an international caste system. Should this caste-like system continue to be the “new world order” I argue that the following three trends will persist:

1. Nation-states will continue to have less power to protect their citizens, natural resources, and institutions from international corporations.
2. The uneven distribution of wealth will increase within nation-states leading to higher poverty rates, especially within wealthier nations.
3. The uneven distribution of wealth will increase globally, further intensifying ethnic antagonism between the wealthy nation-states (predominantly white) from the poorer nation-states (predominantly non-white).

The goal of this paper is to examine the present economic path being followed and to illustrate its social implications, so that nation-states and international organizations can promote and enforce more socially conscious politics and business practices.

Theoretical Framework:

In order to illustrate how the current international economic system is beginning to resemble a caste system, I will use a theory presented by Edna Bonacich (Bonacich, 1972). In her article 'A theory of Ethnic Antagonism: The Split Labour Market', she argues that economic competition is the primary

cause of ethnic antagonism. Within this framework, antagonism “is intended to encompass all levels of intergroup conflict, including ideologies and beliefs (such as racism and prejudice), behaviours (such as discrimination, lynchings, riots), and institutions (such as laws perpetuating segregation)” (Bonacich, 1972, p. 549). Ethnic antagonism appears when labour is divided along ethnic lines and the result is either one ethnic group being excluded from the workforce or the creation of a caste system. According to Bonacich, a caste system is an economic system “in which higher paid labor deals with the undercutting potential of cheaper labor by excluding them from certain types of work. The higher paid group controls certain jobs exclusively and gets paid at one scale of wages, while the cheaper group is restricted to another set of jobs and is paid at a lower scale.” (Bonacich, 1972, p. 548). Secondary to the functioning of a caste system is a difference in the price of labour between groups. In this proposal, as in her original article, the price of labour refers to the “total cost to the employer, including not only wages, but the cost of recruitment, transportation, room and board, education, health care (if the employer must bear these), and the costs of labor unrest” (Bonacich, 1972, p. 549). Bonacich identified three factors in determining the differences in the price of labour between groups: economic conditions, knowledge/information, and political resources.

Different economic conditions will contribute to different prices of labour, in that, groups living in poverty and/or facing economic instability are more likely to accept lower wages, poorer working conditions, and less benefits than groups who are economically stable and have achieved a higher standard of living. In order to explain the role knowledge/information plays in the initial price of labour, Bonacich explains “In general, the more people know about conditions obtaining in the labor market to which they are moving, the better can they protect themselves against disadvantageous wage agreements” (Bonacich, 1972, p. 550). The final factor in the initial price of labour relates to a group's political resources, such as its ability to organize (unions) or protections enforced by governments. Basically, according to Bonacich, “the weaker a group politically, the more vulnerable it is to the use of force” (Bonacich, 1972, p. 550).

The theory of ethnic antagonism and the split-labour market, as presented by Bonacich, will help to organize and focus the proposed research. Using this framework I will examine how different types of labour are divided internationally, the different social effects related to exclusion or a caste system, what specific factors help to create differences in the price of labour between international regions, and how ethnic antagonism and globalization are related. In using this framework, I intend to establish that there is an international caste-like system in which developed countries act as a high-paid labour group, many developing and third-world nations act as a cheaper labour group, and businesses have broadened their search for cheap labour from regional labour markets to global markets. This is being accomplished through the integration of nation-states into global capitalist markets, the adoption of neoliberal policies, and the increasing power of international corporations.

Methodology:

Due to the limitations of time and resources all data will come from secondary sources. Secondary sources will include articles from peer-reviewed academic journals, UN reports, or government documents and will be used to provide evidence regarding the effects of integration into global capitalist markets, the adoption of neoliberal policies, and the resulting split-labour global market. Tertiary sources such as news reports, NGO documents, corporate documents and internet blogs will be used to support secondary sources and to help illustrate the relationship between the split-labour market and ethnic antagonism.

The first step will be to establish that a global split-labour market exists by demonstrating a division of labour between developed and non-developed countries and a difference in the cost of labour between these two groups. Having established a split-labour market, I will examine the reaction of developed countries in terms of their ability to exclude non-developed countries from the labour market and in creating a caste system. In order to argue that there is a global caste system I will have to provide evidence that there is a division of labour according to a region's level of economic development and demonstrate that there is a difference in the cost of labour between developed and

non-developed regions. The second step of the proposed research will be to establish the linkages between the global caste system, integration toward a global capitalist market, and neoliberal policies. The first step 'proves' that a global caste system exists, while this step helps to explain how this caste system came to be and continues to operate. The third step is to examine how the global caste system plays a role in ethnic antagonism. Comparisons can be drawn from previous racial conflicts within nations and the conflicts between different nations. The difference that must be illustrated is that the ethnic antagonism caused by this global caste system is not limited within or between nations, but exists between large international regions.

Finally, the proposed research paper will provide a discussion that relates the research it presents to the three trends that have been presented earlier in this proposal's introduction:

1. Nation-states will continue to have less power to protect their citizens, natural resources, and institutions from international corporations.
2. The uneven distribution of wealth will increase within nation-states leading to higher poverty rates, especially within wealthier nations.
3. The uneven distribution of wealth will increase globally, further intensifying ethnic antagonism between the wealthy nation-states (predominantly white) from the poorer nation-states (predominantly non-white).

The role of each group (developed countries, non-developed countries, and international corporations) in the integration of a global capitalist market, the adoption of neoliberal policies, and the operation of a global caste system will all be related back to these three trends. Having established a basis for these trends the research paper will conclude with recommendations on how to eliminate the global caste system and reduce ethnic antagonism.

Literature Review:

This proposed research paper has been inspired, in part, by the article 'Globalization as Violence' written by Micheal Mann. In this article, Mann questions the view that globalization is

“moving us into a single global society (Mann, 2001, p. 1)” and challenges the reader to reconsider globalization as a modern form of imperialism. For example, according to Mann, globalization “integrates, it exploits, and it disintegrates; and it generates peace, regulated conflict, and war alike” (Mann, 2001, p. 2). Presumably, for Mann, globalization does all this, because it is a form of modern imperialism and creates conflict. He also contends that order in non-developed countries is weakened by “capitalist ostracism, worsened by Northern neo-liberalism, and made more violent by US military imperialism and oppression – sometimes stiffened by indirect political imperialism” (Mann, 2001, p. 14). I disagree with the argument that developed nations are intentionally trying to exert control over South nation-states, as Mann repeatedly points out in his article, the North and the US are unable to take control or bring order to the South¹. The type of imperialism Mann suggests seems more like a consequence of a growing global market and broadening international relations, as opposed to intentional Northern or American attempts to control or force order upon South nation-states. However, I am in complete agreement with Mann, in that, developed nations are having a negative impact on the non-developed nations by promoting capitalism and neoliberalism.

After reading Bonacich's article on ethnic antagonism and split labour market theory, I realized that Mann's article helps to make a strong case for the existence of a global caste system. Using Mann's terms, the 'North' (predominantly developed countries) can be viewed as the high-paid labour group and the South (predominantly non-developed countries) can be viewed as the cheaper labour group. Therefore, Mann's article will be used to demonstrate the existence of a global split-labour market. There is also a great deal of valuable information in Mann's article regarding exclusion movements and inclusion through, as I will argue, a caste system. Mann also devotes a large portion of his article on the conflict between the US (and Western nations) and Islamic (especially Arab) nations in the post 9-11 world. This conflict and the relationship between Islamic fundamentalism and Western

¹ For a more detailed thoughts, regarding my reservations in regarding the relationship between the North and South as imperialistic, please refer to my previous essay titled 'A Critical Review of Michael Mann's Article: Globalization As Violence'.

culture will be used in the proposed research paper as an example of ethnic antagonism resulting from the split-labour market between the North and South.

In order to better articulate the social effects of capitalism and neoliberalism I will include arguments and evidence from 3 main academic sources. The first is an article titled 'The long Term: Capitalism and Culture in the New Millennium'. In this article, Piety argues that the short-term or 'next quarter' focus of capitalism is causing people, both individually and collectively, to act in irrational and self-destructive ways (Piety, 2004). Although I disagree with her assessment that capitalism can be saved by creating “a more mature, rational version of capitalism” (Piety, 2004, p. 104) there is a great deal of useful information in this article regarding the effects of neoliberalism on the workforce, issues associated with the competition of capitalism, and the unequal distribution of wealth.

The second article is titled, 'Global Inequality: Bringing Politics Back In'. In this article, Nederveen argues that neoliberal policies are the main cause of global inequality, both within nations and globally (Nederveen, 2002). This article contains a great deal of information which will help illustrate the role that neoliberal policies play in both granting international corporations power over governments and the role these policies play in developing and promoting a global caste system. For example, Nederveen suggests that “pressures on wages, productivity, labour conditions and trade unions in advanced countries have been rationalized by referring to labour discipline in low-wage countries” (Nederveen, 2002, p. 1029). This clearly implies a global split-labour market in which there is a high-paid labour group and a cheaper labour group.

The third article is titled, 'States and Markets in an Era of Globalization'. In this article, Riain argues that “Neoliberal institutions are the dominant force shaping the relation between states and markets in the contemporary era, but alternative state-society alliances are emerging to contest the hegemony of neoliberalism in shaping globalization” (Riain, 2000, p. 187). This article not only includes information regarding the economic policies of nation-states and its role in promoting a caste system but also includes useful information on how non-developed nations are pressured into formally

participating in the caste system. For example, Riain points out that a non-developed country “promotes local firms and encourages them to compete globally. In becoming global firms, however, their alliances with the state are undermined as the firms become more and more closely aligned with the interests of their international partners” (Riain, 2000, p. 189). This suggests that as local firms begin to succeed in the split-labour market, they are essentially taken over by international firms, almost always based in a developed nation, in order to, as I will argue, maintain the global caste system.

The literature review presented within this proposal should not be seen as an exhaustive list, but rather as the preliminary research that will provide the basis for the proposed final paper. Although there is a great deal of relevant information in the sources discussed here, much more research will be needed to complete the final paper. Also of note, I did not include Bonacich's article, 'A Theory of Ethnic Antagonism: The Split Labour Market' in the literature review, because this article was discussed in detail in the “Theoretical Framework” section.

Summary:

The proposed research paper will use the concepts of ethnic antagonism and split-labour market, as presented by Bonacich, in order to establish the existence of a global caste system. I will argue that the integration into a global capitalist market and the adoption of neoliberal policies are direct causes of this caste system. I will support my main arguments using secondary sources from academic journals, UN reports, and government documents. I will use other sources such as news reports, internet blogs, and NGO documents to provide examples that illustrate the global caste system and the ethnic antagonism associated with the split-labour market. A preliminary review of relevant academic literature supports the argument that capitalism and neoliberalism are the causes of a global split-labour market and seems to suggest the existence of a global caste system. Therefore, I propose that further research is warranted on this topic.

References:

Bonacich, E. (1972). A Theory of Ethnic Antagonism: The Split Labor Market. *American Sociological Review*, 37, 5, 547-559.

Mann, M. (2001). Globalisation As Violence. *Humanities Lecture Notes*. Moscow, Russia: Russian State University.

Nederveen Pieterse, J (2002). Global Inequality: Bringing Politics Back In. *Third World Quarterly*, 23, 6, 1023-1046.

Piety, M. (2004). The Long Term: Capitalism and Culture in the New Millennium. *Journal of Business Ethics*, 51, 2, 103-118.

Riain, S. (2000). States and Markets in an Era of Globalization. *Annual Review of Sociology*, 26, 187-213.