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Access and Opportunities

Equality in an Age of Globalization

Masteroppgave i Lektorutdanning i samfunnsfag for trinn 8-13
(MLSAM)

Veileder: Indra de Soysa

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Norges teknisk-naturvitenskapelige universitet
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Abstract

Recent studies show that globalization increases wealth inequality within countries, while simultaneously reducing global inequality. The broader impact of globalization is hotly contested, and critics of globalization link local levels of wealth inequity to various undesirable outcomes related to health and other societal factors. The purpose of this thesis is to add another dimension to ongoing debates by investigating the impact of globalization on equality of opportunity. Using indicators provided by the KOF Globalization Index to measure globalization and V-Dem index- and indicator measurements to capture various aspects of equality of opportunity, this thesis finds that globalization has a negative impact on equality of opportunity globally based on a wide sample of countries ($\cong 170$). Economic globalization is seen to have a consistently negative impact on equality of opportunity, whereas social and political globalization show more mixed results. The trend within a smaller sample ($\cong 23$) of traditionally developed industrial democracies indicates that globalization restricts access to healthcare, a result which is particularly relevant to ongoing debates concerning the causes of deaths of despair in the US and other countries. The broader impact of these results on populism, democratic backsliding and the inclusiveness of political institutions have noteworthy and concerning implications.

Sammendrag

Tidligere studier indikerer at globalisering fører til større økonomiske ulikheter innad i land, samtidig som globale ulikheter reduseres. De øvrige konsekvensene som globalisering medfører, er stadig oppe til debatt. Kritiske stemmer hevder at de lokale økonomiske ulikhetene som følger med globalisering har en rekke negative følger knyttet til helse og andre samfunnsmessige faktorer. Målet med denne oppgaven er å tilføre den pågående debatten en ny dimensjon, ved å undersøke hvorvidt globalisering påvirker mulighetslikhet (equality of opportunity). For å gjennomføre dette bruker oppgaven indikatorer fra KOF Globalization Index for å måle globalisering, og ulike indikatorene fra V-Dem for å måle mulighetslikhet. Oppgaven finner at det er en negativ sammenheng mellom globalisering og mulighetslikhet globalt, basert på et bredt utvalg av land ($\cong 170$). Økonomisk globalisering har en utelukkende negativ effekt på mulighetslikhet, mens politisk- og sosial globalisering har en mer uklar påvirkning. Et mindre utvalg ($\cong 23$) av land som tradisjonelt fremheves som industrialiserte demokratier indikerer at globalisering begrenser tilgang på helsetjenester innad i land. Dette er et funn som er spesielt relevant knyttet til en voksende rus-, alkohol og selvmordsproblematikk i vestlige land - et fenomen som er blitt beskrevet som "fortvilelsesdødsfall" (deaths of despair). Funnene som presenteres i oppgaven har brede og implikasjoner, som relaterer til populisme, demokratisk tilbakefall samt politiske institusjoners inkluderende karakteristikk.

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1. Introduction

Debates surrounding inequality have intensified over the last decades, and its prominence in the public discourse seems to amplify for each year that passes. The same holds true for scholarly debates on the topic – questions of how to conceptualize, measure and manage the phenomenon are legion. This thesis will focus primarily on the aspect of equality related to access and opportunities, namely equality of opportunity. The notion that everyone, regardless of circumstances, should have access to the same opportunities; that outcomes should be dictated by effort and ability first and foremost, and not by circumstance. Why focus on this aspect of inequality, rather than more concrete and material aspects, such as wealth or income inequality directly? The question of why is answered, in essence, by Joseph E. Stiglitz, Nobel laureate of economics and former chief economist of the World Bank.

Perhaps the most invidious aspect of inequality is that of opportunity. Equality of opportunity—the “American dream”—has always been a cherished American ideal. But data now show that this is a myth: America has not only become the advanced country with the highest level of inequality, but also one of those with the least equality of opportunity. The life prospects of a young American are more dependent on the income and education of his parents than in other developed countries. We have betrayed one of our most fundamental values. And the result is that we are wasting our most valuable resource, our human resources: millions of those at the bottom are not able to live up to their potential.¹

Stiglitz, speaking to an American audience, frames equality of opportunity within the context of “the American dream” – a dream that individuals should be free to pursue prosperity and success, and whose outcomes should be determined by hard work and effort rather than circumstance. This dream is not uniquely American. Far from it – it speaks to an ethos that can be framed in universal terms. Should societies be ordered so that our destinies are defined primarily by circumstances beyond our control, or should our abilities, talents and preferences determine outcomes? The answer to this question will naturally vary depending on who you ask. Indeed, some may challenge the notion that abilities, talents and preferences are separable from circumstance. While this point is well made, it does not deny the notion that circumstances ought not to dictate outcomes, but instead, we should be more sensitive to what we conceive of as circumstance.

The universal framing of equality of opportunity motivates the second decision of this thesis – to investigate the relationship between an increasingly interconnected world and equality of

¹ Stiglitz 2015: 11

opportunity. Globalization – the complex network of interconnectivity that increasingly binds the world together in mutual interdependence – has also been subject to increasingly energetic study and debate. The intersection between globalization and inequality is one of the fields that have developed an extensive literature over the last decades, as globalization and inequality both have emerged as defining features of the 21st century. Existing studies paint a complicated picture of the relationship between globalization and inequality. On the one hand, empirical studies show that globalization has been conducive to economic growth, promoted gender rights and overall decreased global levels of inequality.² On the other, there is clear evidence that globalization – particularly economic globalization – has caused local levels of wealth inequality – the wealth inequality within countries – to increase.³

To contribute to the ongoing debate on globalization and inequality, this thesis sets out to address the topic empirically. By taking advantage of indicators provided by the KOF Globalization index to measure globalization, and the Varieties of Democracy dataset to measure equality of opportunity, the aim is to provide an answer to the following question: How does globalization impact equality of opportunity?

² Potrafke 2015; Dreher 2006

³ Potrafke 2015; Milanovic 2016; Milanovic & Roemer 2016

2. Globalization

Globalization is emerging as one of the defining features of our age. While globalization is nothing new, the current iteration is widely recognized as being different to that of past ages. The question of how to conceptualize and define the phenomenon is consequently one that has received much attention in recent years. Although there is a shared understanding that globalization relates, in some sense, to increased interconnectivity across the global spectrum, it is necessary to establish a more concise definition if the goal is to engage with it more substantially. To this end, this thesis employs a definition that builds upon earlier definitions used by Dreher, Nye, Keohane, Gygli and colleagues in their respective studies on globalization.⁴ Globalization is understood to be the following:

Globalization describes the process of creating networks of connections among actors at intra- or multi-continental distances, mediated through a variety of flows including people, information and ideas, capital, and goods. Globalization is a process that erodes national boundaries, integrates national economies, cultures, technologies and governance, and produces complex relations of mutual interdependence.⁵

This definition captures the complexity and multidimensional nature of globalization. At its broadest conception, globalization describes a general process which is comprised of increased global interconnectivity across many, more specific processes. The scientific literature on the effects of globalization reflects this complexity, and the question of whether the costs associated with globalization exceed the benefits derived from it has been, and continues to be, contested.⁶ Concerns have been raised about the effect of globalization on a variety of important factors. These include social and environmental standards; destabilization of financial markets leading to global crises, and especially as of 2020; the vulnerability of a globally connected community to viral disease as well as other negative health outcomes. The fact that all these distinct and seemingly disparate separate phenomena have been linked to the general process of globalization illustrates the diversity, if not the voracity, of concerns about its effects.

⁴ Dreher 2006; Nye & Keohane 2000; Gygli et. al. 2019

⁵ Gygli et. al. 2019: 546

⁶ Dreher 2006: 1-3; Gygli et. al. 2019

2.1. Globalization and growth

The focus of this thesis is centred on the effects of globalization on inequality, which is arguably one of the most broadly debated and contested areas of research related to globalization. The empirical literature on globalization and inequality is contextualized by the broader debates on inequality and social justice. The first of these debates is concerned with the relationship between wealth inequality and economic growth. There is strong empirical evidence which suggests that globalization is a driver of both phenomena.⁷ Liberal and neo-liberal theorists argue that wealth inequity by itself is not necessarily indicative of any negative trends. While the relationship between economic growth and income inequality has been hotly debated and since the pioneering work of Kuznets from 1950's onward, there are strong arguments put forth by economists which favour some degree of wealth inequality being conducive to increased economic growth.⁸

On a fundamental level, wealth disparity can motivate productive activity on an individual level as well as on systemic levels, as shown by Garcia-Penalosa & Turnovsky.⁹ So long as there is an increase in absolute levels of wealth across the board, then everyone is better off, even if there are inequities in the distribution of wealth outcomes. By overemphasizing redistribution and equity at the cost of efficient allocation of resources conducive to growth, there is significant risk that the end result may leave everyone worse off in the long run.¹⁰ The impact of aggressive redistribution may also undermine incentives to work, and thereby limit the supply of human capital needed for effective redistribution.¹¹ Furthermore, the competitive conditions of a global labour market will encourage governments to invest in human capital, as failure to do so will leave them at a severe disadvantage relative to other competitors.¹² As globalization, particularly economic globalization, is seen to drive economic growth and outcome inequity within countries, the argument goes that as long as the rising tide raises all ships, it does not matter if some ships are raised more relative to others.

The institutional perspective on economic growth places emphasis on the characteristics and arrangements of economic and political institutions as key. Acemoglu & Robinson, two

⁷ Potrafke 2015; Dreher 2006; Gygli et. al. 2019

⁸ Kuznets 1955; Garcia-Penalosa & Turnovsky 2005; Atolia, Chatterjee & Turnovsky 2012

⁹ Garcia-Penalosa & Turnovsky 2005

¹⁰ De Soysa & Vadlamannati 2021

¹¹ Piketty 2015: 105-106

¹² Dobbins, Simmons & Garrett 2007: 457-460

prominent contributors to the institutional approach, place the primary emphasis on the inclusive or extractive nature of political- and economic institutions as key to stable and sustained growth.¹³ Inclusive political institutions are primarily characterized by pluralism and adequate centralization – a combination that vests political power broadly, and makes it accessible to all sections of society.¹⁴ Such institutional arrangements allow inclusive economic institutions to emerge, due to the limits placed on actors motivated to undermine individual property rights, or otherwise restrict access to economic opportunities to further their vested interests.¹⁵ Broadly distributed and pluralistic political institutions and inclusive economic institutions create sets of self-reinforcing feedback loops that make them resistant to attempts at undermining them. This dynamic is the essence of what Acemoglu & Robinson refer to as “the virtuous circle” of inclusive institutions.¹⁶ The argument places primary emphasis on the ability of broad sections of society to access political- and economic institutions, and as such, the extent to which globalization is seen to limit or expand access to political institutions is a key concern. Barriers that effectively prevent this access would drive institutions toward more extractive characteristics, and conversely, the elimination of barriers would constitute increased inclusivity and pluralism, thereby reinforcing existing inclusive institutions.

2.2. Globalization and inequality

The framing of economic growth and pareto-optimality as justification for inequality is not without critics. Outcome egalitarians – those who argue that any unequal outcome is fundamentally unjust – naturally fall into this category.¹⁷ However, there are also other less radical criticisms that point to the dangers of overemphasising the inherent risks of redistributive efforts. These critics emphasise the malignant effects of extreme wealth inequality over time. Atkinson, one of the most prominent scholars in the field of inequality, argues that in addition to the various instrumental reasons for limiting excessive wealth inequality, there are intrinsic reasons for doing so which are rooted in broader theory of social justice – particularly that of Rawls.¹⁸ The goal is not to eliminate outcome inequality, but instead to reduce it below its current level.¹⁹ Atkinson presents two primary rebuttals against

¹³ Acemoglu & Robinson 2013

¹⁴ Acemoglu & Robinson 2013: 79-93

¹⁵ Acemoglu & Robinson 2013: 73-76

¹⁶ Acemoglu & Robinson 2013: 302-334

¹⁷ Dworkin 1981

¹⁸ Atkinson 2015; Rawls 1971

¹⁹ Atkinson 2015: 9-10

the main arguments put forward against redistribution – the argument that redistribution will likely reduce economic output and slow economic growth. First, the notion that a larger cake is always preferable to a smaller and more fairly distributed cake is a fallacy. In a society where a tiny portion of the population can afford to buy tickets for space travel, while other sections of society cannot afford to purchase food without relying on food banks, stark levels of wealth inequity will ultimately undermine social cohesion at a fundamental level while simultaneously fracturing shared interests in society.²⁰ Growth and distribution must be considered in conjunction, and distributional interests do matter beyond economic growth in its sustainable form. Second, Atkinson argues that economic differences among people are of first order importance.²¹ Echoing Solows critique of contemporary macroeconomics, he argues that the relative heterogeneity is an essential element of modern economies, and existing economic models fail to adequately account for this heterogeneity.²²

In a similar vein, Piketty argues that the current inequality regime, characterized by hypercapitalism in a globalized order, creates conditions which favour the economic and political elites to an egregious extent. As economic and financial globalization intensifies, the competition between countries for capital investment alongside the increasing mobility of wealth leads directly to “fiscal dumping”.²³ As wealthy individuals and corporations are able to place their wealth – and themselves – in countries that provide comparatively beneficial tax schemes, the ability of states to impose redistributive taxation is critically hampered by fear of driving these economic actors to other, competing countries. The potential exodus of wealthy corporations and individuals intensifies following more aggressive redistributive schema reinforces the outcome disparity between the “losers” and “winners” of hypercapitalism and economic globalization, as the tax burden shifts from the mobile elite to the comparatively immobile working class. Economic elites are able to leverage their mobility to secure concessions that effectively block- or exempt them from more aggressive redistribution, which in turn shifts the burden of taxation toward the working- and middle-classes. According to Piketty, current levels of inequality are likely to increase, as the ability of economic and political elites to accrue wealth outstrips the real economic growth rates.²⁴

²⁰ Atkinson 2015: 16

²¹ Atkinson 2015: 16-17

²² Atkinson 2015:17, 82-87;

²³ Piketty 2020

²⁴ Piketty 2014

The notion of “fiscal dumping” is very similar to what Rodrik, another prominent economist critical of globalization, has identified as a key challenge facing the current participants in the post-Bretton Woods era of globalization.²⁵ Rodrik argues that as the current iteration of globalization – what he refers to as hyperglobalization – increases, the ability of domestic politics to influence and regulate the economy to the benefit of the larger population decreases.²⁶ The international mobility of firms and capital creates a downward pressure on corporate tax rates, and shifts the tax burden increasingly away from mobile capital and onto labour, which is comparatively much less mobile. In other words, the tax burden shifts from the primary beneficiaries of economic globalization – the mobile elite – to the losers of globalization – the comparatively static labour force. The influence of international tax competition fundamentally limits the ability of states to address wealth inequities, according to the same logic that Piketty and others have identified.

In addition to the pressures mobile capital exerts on inequality trends, Rodrik points to the effect economic globalization has on labour standards as well as health- and safety standards.²⁷

The ability of capital to divest from countries which impose costly demands on employers in the form of labour standards is complicated by profit-maximizing motives. Employment practices, like maximum work hours, minimum wage levels and good working conditions, are costly to employers despite being overwhelmingly beneficial to workers. When a country with strict domestic labour laws – laws that ostensibly prohibit gross exploitation of workers – is forced to compete with states that lack such regulation, there is an incentive to move production to where workers enjoy fewer rights – all other factors being equal. At the very least, threatening to do so may secure more beneficial concessions where economic enterprises are currently established – another mechanism leading to a stagnation or corrosion of established labour protection laws. The extent of this type of “labour arbitrage” increases as global markets become more integrated.²⁸ This, in practice, limits the ability of states to implement redistributive tax schemes, or to otherwise introduce policy that benefits workers at a cost to employers.

²⁵ Rodrik 2011

²⁶ Rodrik 2011: 187-200

²⁷ Rodrik 2011: 190-193, 194-197

²⁸ Roach 2006

As low skilled labour is more susceptible to international competition compared to high-skilled labour that is human capital intensive, the groups most likely to experience the deleterious effects of these incentive structures are low-skilled labour where the cost- and standard of living is high. This follows in part from the logic of factor endowment theory.²⁹ The comparative advantage of countries characterized by high ratios of capital to labour and costly labour regulation benefits capital when they enter into competition with countries characterized by low ratios of capital to labour and comparatively inexpensive labour regulation. This aspect of globalization drives local levels of wealth inequality further, as global competition will lead to wage-stagnation or de-industrialization in countries where cost of labour is high. According to Rodrik, this process undermines the ability of states to effectively regulate labour markets and to respond to democratic desires that emerge from domestic populations.³⁰ The resulting globalization trilemma facing states in the globalized order threatens to fundamentally undermine democracy - as states are unable to maintain national sovereignty, democracy and globalization in conjunction. Indeed, only two of these three can co-exist in the current era of globalization. As state sovereignty and the processes of globalization are unlikely to give way, democracy – the ability of states to respond to desires within the population – may be undermined as a result.

Others, among them Stiglitz, Pickett & Wilkinson, have emphasized instrumental reasons as to why inequality ought to be a concern.³¹ Wilkinson & Pickett argue that without considerable – even radical – redistributive efforts, current levels of wealth inequality have several deleterious effects on individual health as well as societal cohesion. The effects of globalization on health are central to the question addressed by this thesis and will be further examined in chapter 4. Additionally, the cost of long-term inequality at the level experienced by countries like the US is one of the main concerns addressed by Stiglitz in his writings on inequality.³² In addition to levelling similar criticisms against globalization as Rodrik, Piketty and Atkinson, Stiglitz goes further in emphasizing the risk and cost of regulatory capture by economic elites, rent-seeking and the overall negative impact current political and economic trends have on fundamental trust in the political process and democracy. Stiglitz and others have further argued that this is in essence what has driven large segments of the population

²⁹ Morrow 2000

³⁰ Rodrik 2011

³¹ Pickett & Wilkinson 2011

³² Stiglitz 2013; Stiglitz 2015

toward populist and nativist politics in recent years, particularly in Europe and North America.³³

One of the objections raised to these criticisms of globalization, is that they are often rooted in the experience of specific countries – particularly the United States, or the anglosphere more generally. In fact, empirical studies have shown that global wealth inequality has declined significantly in spite of recent increases in local wealth inequality.³⁴ The effects of wealth inequality on societal cohesion and social harmony is also contested. Rather than generating disharmony, the “tunnel-effect” described by Hirschman & Rothschild may in fact lead to harmonious societal outcomes.³⁵ Wealth inequality may be analogized to a traffic jam in a tunnel. As soon as one lane starts moving, people stuck in other lanes understand that their turn to exit the tunnel will arrive in the future, and will therefore be content to participate in orderly progress toward that goal – even if others get to go ahead of them. This view holds that so long as everyone sees that their turn is coming – that they have the opportunity to exit the traffic jam – inequality is not the primary concern. These contentions are also based on empirical findings that cast doubt on the assertions made by critics. A comprehensive review of the empirical literature investigating the effects of globalization conducted by Potrafke concludes that globalization has not had the harmful effects critics argue.³⁶ Indeed, the effects of pro-market reform, market liberalization and globalization has had a positive impact on various human rights, has promoted gender equality and overall spurred economic growth. Indeed, freer markets and liberalized economic conditions globally do not reflect the experience of the US. Furthermore, the corrosive effects critics argue globalization exerts on welfare state activities as well as labour markets labour interactions are not reflected in the empirical literature.³⁷ What are we to make of these contradictory findings? The question of whether the experiences of these countries is reflective of general trends, or whether they are the result of the idiosyncratic institutional arrangements that are largely unique to these countries, is one of the questions which this thesis will return to in chapter 8.

³³ Stiglitz 2018; Theodore 2019; Flew & Iosifidis 2020

³⁴ Lakner & Milanovic 2015; Milanovic & Roemer 2016; Potrafke 2015

³⁵ Hirschman & Rothschild 1973; Vadlamanatti & De Soysa 2021

³⁶ Potrafke 2015

³⁷ Vadlamanatti & De Soysa 2012; Dreher et. al 2011; Potrafke 2015

3. Equality – opportunities and outcomes

The question of whether the net sum of the inequality generated by globalization is positive or negative is, as discussed in the previous sections, contentious. However, there is a shared sentiment – even among many who emphasise significant reforms of the current system, short of outright outcome-egalitarian economic arrangements – that equality of opportunity is important, if not essential, to justify generated wealth inequality. This shared notion raises two further questions: What is equality of opportunity understood to be, and how does it relate to outcome inequality?

Conceptually, equality of opportunity is primarily concerned with sets of barriers that prevent groups or individuals from competing on equal footing. Much of the formalized theory of equality of opportunity builds on the work of Roemer that draws a clear distinction between inequality which stems from “effort” and “circumstances”.³⁸ Inequality resulting from “effort” – factors that individuals can control – can ultimately be justified much more easily than those stemming from “circumstances” – factors beyond the control of individuals. Effort is driven and motivated by idiosyncratic factors on an individual level, where personal preferences and autonomous choices are made according to the individual calculus of each person, be it rational, affective, or other underlying motivators. For instance, person (A) might be strongly motivated to pursue a career that is in line with the passions, beliefs, or identity of that individual. Such careers may be intensely meaningful, though it offers very limited economic prospects beyond providing the most basic of material needs. On the other hand, person (B) may be very motivated and driven to pursue a challenging and highly competitive education to access careers that afford high pay and substantial material benefits. Person (B) may end up accruing significantly more wealth and income than someone who finds no motivation or desire for such pursuits, and instead prioritizes leisure – or passions, like person (A). In short, inequalities between person (A) and (B) stem from autonomous choices and preferences. These inequalities in outcome are largely seen as much less objectionable, if not outright justifiable, compared to those inequalities that stem from circumstances. Outcome egalitarians may take umbrage with such an assessment, but those who argue in favour of redistribution short of eradicating wealth inequality altogether will find it difficult to argue with this line of reasoning.

³⁸ Roemer 1998

The second type of inequality – that which stems from circumstances – is another matter entirely. Compared to inequality that stems from effort, inequality that stems from circumstance is much more difficult to justify. In the previous example, individual (A) opted to pursue work that provided little in terms of wages due to preference. Let us instead consider a scenario where person (A) did not decide to pursue passions, but instead was forced to accept low-paying work due to a debilitating handicap. This handicap could have easily been prevented if person (A)'s mother had access to adequate pre-natal care during early stages of pregnancy, but this access was restricted to privileged sections of society.

Person (B) had similar complications during early stages of development, but luckily for him, his family could access high quality healthcare which allowed him to address the health issues. In this scenario, person (A) is captured in a cycle of poverty due to circumstances that were largely beyond his control, whereas person (B) was able to access vast sets of opportunities that were denied to person (A) primarily due to privileged access. Any inequalities in outcome between these two that can be attributed to differences in health is therefore extremely difficult to justify. This example illustrates the main concern of equality of opportunity, as unequal outcomes which stem from circumstances or uneven playing fields are seen as a fundamentally unjust.³⁹

This approach to the question of justifiable inequity is rooted in the philosophical contribution of Rawls' influential alternative to utilitarian ethics.⁴⁰ According to Rawls, two fundamental principles of justice are necessary to achieve more just social arrangements – and the second of these principles captures the core argument of equality of opportunity. The second principle states that for society to be just, social and economic inequality must result from societal institutions arranged be so that they are (a) reasonably expected to be to everyone's advantage, and (b) resulting of positions and offices that are open to all.⁴¹ In other words, if groups or individuals are systemically deprived access to positions, offices or economic opportunities based on circumstances, social and economic inequality cannot be rightfully justified – even if a utilitarian calculus determines that such arrangements produce greater happiness for a greater number of people.

The relevance of agency and elimination of barriers is not exclusive to equality of opportunity-theory. In fact, it shares many similarities with the capability approach of Sen

³⁹ Roemer 1998: 25-32

⁴⁰ Rawls 1971

⁴¹ Rawls 1971: 60-65

and colleagues, whose approach to poverty and inequality emphasizes the functionings and capabilities of individuals to achieve subjective well-being.⁴² Functionings within the capability approach is understood as the ability of people to “be and do” – in other words, to have agency and to act. Being well nourished, experiencing good health and having access to effective shelter are examples of functionings within the capability approach. Capability on the other hand refers to sets of functionings that a person has effective access to. It represents the ability and freedom of individuals to preferentially select combinations of functioning that enable them to pursue the “Good Life”. It is important to stress that there are differences between the theory of equality of opportunity formalized by Roemer, in the Rawlsian tradition, and the capability approach of Sen. One of the points of contention between the two approaches is tied to the external evaluation of what constitutes the “good life”, in addition to disagreements on whether justice fundamentally is a political or metaphysical phenomenon.⁴³ In spite of these points of contention, the core research question addressed in this thesis – the question of whether globalization leads to more or less equal access to opportunities – is also highly relevant to scholars that work within the capability-framework, and are concerned with the problem of inequality. After all, the barriers which prevent equal opportunity are the exact same barriers which obstruct functionings necessary to pursue the good life.

3.1. Globalization and equality of opportunity – causal mechanisms

With an understanding of how equality of opportunity is conceptualized, and its relevance to related theoretical approaches, it remains to establish a clear theoretical causal link between globalization and equality of opportunity. The causal link presented in this thesis builds on the work of Atkinson, particularly his work on the relationship between outcome inequality and equality of opportunity.⁴⁴ The causal link builds on two assertions that are well established in the literature on inequality. First, local levels of wealth inequality – that is the wealth inequality within countries – has increased globally.⁴⁵ Second, globalization drives unequal outcomes within-countries, as a comprehensive review of the literature on globalization using KOF Globalization indexes indicates.⁴⁶ Atkinson argues that there exists a

⁴² Sen 1985; Frediani 2010; Nussbaum 2009

⁴³ Wells n.d.

⁴⁴ Atkinson 2015

⁴⁵ Seligson 2014

⁴⁶ Potrafke 2015

link between inequality of outcome and inequality of opportunity, where unequal outcomes will create an uneven playing field in the future.⁴⁷ Ex-post outcomes that are attributed to globalization will influence the ex-ante playing field of tomorrow, as sections of society are able to access better opportunities systematically relative to those with worse outcomes. This, in turn, will create sets of circumstances for the next generation whose opportunities are in large part defined by the outcomes of the parent generation. This causal framework is illustrated in figure 1 below.

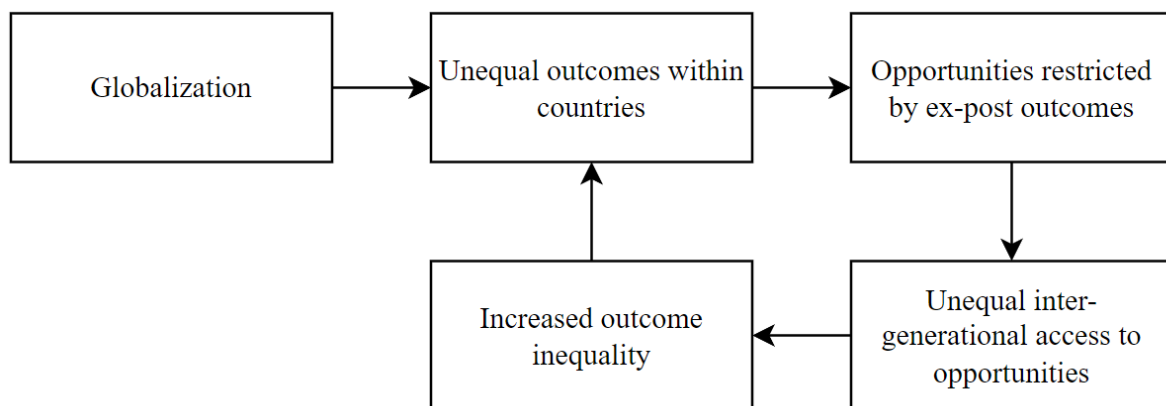


Figure 1. Causal mechanisms – globalization, outcome inequality and equality of opportunity

According to this logic, the dimensions of globalization that drive unequal outcomes within countries will also lead to less equal access to opportunities. Rephrased slightly, we would expect to see more inequality of opportunity as levels of globalization increase – particularly in the case of economic globalization, as it is the dimension most strongly linked to wealth inequity.

⁴⁷ Atkinson 2015: 9-12

4. Globalization, inequity and health

The scientific literature on the relationship between globalization and public health is extensive and uncovers many causal pathways which link the two phenomena. Health outcomes are linked to the impact of globalization on a variety of different factors, namely the environment; (admittedly uneven) global poverty reduction; structural readjustment loans; austerity measures imposed by global financial institutions. In short, the picture painted is as complex, if not more so, than the broader debate on wealth inequity.⁴⁸ Within the debate on globalization and health, there is an emerging literature which is focused on the impact of autonomy, or control over our lives and destinies, on health outcomes.⁴⁹ These are strongly associated with socio-economic stratifications in society. The theoretical pathways and links presented by Whitehead and colleagues establish causal links that explain how the inability of people to adequately control their own destinies produce unequal health outcomes – working at the micro-, meso- and macro-levels. The core argument presented by Whitehead and colleagues builds on the notion that the effects of living in a disadvantaged environment, where circumstances drive powerlessness and a sense of collective threat, result in worse physical and mental health outcomes for those who experience lack of control. This is manifested through chronic stress responses, substance abuse and exposure to health damaging living environments.⁵⁰

The importance of agency as it relates to health outcomes is bolstered by the findings of Case & Deaton, who have written extensively about the stagnating or declining life expectancy of white blue-collar workers in the United States.⁵¹ The marked decline in life expectancy and health outcomes is linked directly to what Case and Deaton identify as “deaths of despair” – ill health and death that can be attributed to suicide, drugs and alcohol. Of the factors which drive these negative outcomes, the importance of access to healthcare and increased local wealth inequality – what they describe as “persistent upward redistribution – are at the core. Indeed, they are critical to understanding what drives the phenomenon to epidemic proportions.

Our argument is that the deaths of despair among whites would not have happened, or would not have been so severe, without the destruction of the white working class, which, in turn, would not have

⁴⁸ Kawachi & Wamala 2007

⁴⁹ Whitehead et. al. 2016; Deaton & Case 2020; Schrecker 2020

⁵⁰ Whitehead et. al. 2016: 54

⁵¹ Case & Deaton 2020

happened without the failure of the healthcare system and other problems of capitalism today – particularly persistent upward redistribution through manipulation of markets.⁵²

These contributions motivate the choice to focus specifically on the importance of equal access to opportunities as an important dimension when evaluating the effect of globalization on inequality. Emphasis on equal access is not just a normative, moral or ethical concern – it has substantive impacts on the health and well-being of those who are deprived access. The central theme of equality of opportunity, and of equal access, is reinforced by the effect lack of autonomy has on health outcomes. This places special emphasis on the dimension of equality of opportunity that is captured by access to healthcare, and an account of the operationalization of access to healthcare is provided in chapter 5.1.5.

⁵² Case & Deaton 2020: 188

5. Method

The goal of this thesis is to investigate the effect of globalization on equality of opportunity. To achieve this goal, the thesis employs a pooled, time-series cross-sectional dataset comprising 169 countries. The dataset spans the period of 1970-2017, which makes it possible to investigate changes related to globalization in the period that is most energetically debated. While these datasets provide opportunities for mapping changes over time, there are also additional challenges which stem from the inherent properties of time-series and cross-sectional (TSCS) datasets.⁵³ These problems have often been treated as nuisances that cause estimation difficulties, particularly by studies relying on generalized least squares methods.⁵⁴ Due to these problems, generalized least square (GSL) methods are not very well suited for the purposes of this thesis. This paper will instead be using ordinary least squares (OLS) as a method for the purpose of addressing the research question. However, OLS regressions based on TSCS datasets are also prone to various forms of autocorrelation – temporal and spatial. Panel-corrected standard errors (PCSE) are often used to address the problem of autocorrelation and heteroskedasticity in standard errors, which makes it possible to draw inferences from them.⁵⁵ While OLS regressions using PCSEs are well suited for TSCS datasets with relatively small N (units) and large T (time), it is less well suited for the datasets with large N and relatively small T – which is the case for the dataset used in this paper. To address this problem, the OLS regressions presented here utilize Driscoll-Kraay standard errors that are robust to temporal and cross-sectional dependence, including bias from heteroscedasticity.⁵⁶

While steps have been taken to reduce the potential impact of bias in the presented models, it does not fully address challenges related to endogeneity and the potential for reverse causality. While the theoretical framework provides some assurance against this, more robust models using instrumental variable analyses could address this problem more comprehensively.⁵⁷ However, the difficulty of finding appropriate instruments – exogenous variables – is extremely challenging. With these limitations in mind, the question of how to operationalize and measure key concepts can be addressed.

⁵³ Beck 2001

⁵⁴ Beck 2001: 272

⁵⁵ Bailey & Katz 2011

⁵⁶ Hoechle 2007

⁵⁷ Woolridge 2002

5.1. Dependent variables – Equality of opportunity and equal access

One of the major challenges related to the study of the relationship between equality of opportunity and inequality of outcome is measuring to what extent unequal outcomes can be attributed to effort and circumstances.⁵⁸ While this calculus is possible to varying degrees dependent on access to sufficient data, it is far beyond the scope of this thesis. Much of the necessary data for such calculations is very limited, or missing all together, for many countries. Rather than attempting to map the extent to which unequal outcomes are attributed to circumstances, the objective of this thesis is rather to investigate whether globalization drives circumstances to become more unequal. The question then is how does one operationalize equality of opportunity? This question – the question of how to best measure equality of opportunity – has received much attention. Conceptually, equality of opportunity is closely related to intergenerational mobility and wealth inequality. This has led to some economists to employ investments in human capital of children – investments that influence their adult earnings and socioeconomic status – as a proxy for equality of opportunity more broadly.⁵⁹ While these investments may provide a solid foundation when accounting for the interaction between families, labour markets and public policies as well as other relevant factors, the challenges of mapping these interactions in cross-country comparisons makes it ill-suited for the purpose of this thesis – a point that Corak also emphasizes.⁶⁰ Other empirical studies have relied on the Human Opportunities Index (HOI) which is published and maintained by the World Bank. The HOI is a comprehensive index which maps how individual circumstances (place of residence, gender, educations of household head, etc.) can affect the access children have to basic public goods such as water, education, electricity, nutrition, healthcare and sanitation.⁶¹ While this index has been used to great effect in studies focused on equality of opportunity in Latin America, the Caribbean and the Middle East, limited data availability for countries globally and limited temporal coverage makes it ill-suited for investigating changes in global trends over time.⁶²

To overcome these challenges, this thesis will employ various indicators provided by the Varieties of Democracy (V-Dem) Research Project in its most recently published V-Dem

⁵⁸ Roemer 2006

⁵⁹ Corak 2013; Roemer 2006

⁶⁰ Corak 2013: 79-80

⁶¹ Molinas et. al. 2012

⁶² Vélez et. al. 2012; Vega et. al. 2012; Newman 2012

dataset (version 12).⁶³ The stringent and comprehensive methodology employed by the V-Dem project reduces the likelihood that the data – which is derived from expert surveys – is subject to systemic biases.⁶⁴ The criteria for expert recruitment, the use of bridge- and lateral coding to estimate- and correct for systematic biases across experts and countries, in addition to the steps taken to identify and correct measurement errors, all combine to make the V-Dem dataset a highly reliable source for dependent variables. The excellent temporal and geographical data coverage makes it well-suited OLS regressions using TSCS datasets.

The V-Dem dataset provides various indicators that capture the extent to which public goods are equally accessible within countries. The indicators employed in this thesis as part of presented models or robustness tests are (1) *particularistic- or public goods profile of social and infrastructural public spending* (v2dlencmps), (2) *equal access to political power index* (v2xeg_eqaccess), (3) *secure and effective access to justice* (v2xcl_acjst), (4) *educational equality* (v2peedueq) and (5) *equal access to healthcare* (v2pehealth).

5.1.1. Particularistic- or public goods spending as a proxy for equality of opportunity

The V-Dem indicator (1) v2dlencmps measures the profile of social and infrastructural spending in the national budget along “particularistic” or “public goods” dimensions.⁶⁵ Particularistic spending narrowly benefits specific corporations, sectors, social groups, regions, parties or sets of constituents. It may be interchangeably referred to as “pork-barrel spending”, “clientelistic spending” or “private goods spending”. The public goods dimension of spending is intended to benefit all communities within society. Means-tested spending which target poor or underprivileged constituents fall within this category, so long as those who satisfy the means-test receive benefit. This indicator is intended to capture the relative value of social and infrastructural spending within national budgets. It serves as a proxy for equality of opportunity more generally due to the adverse impact particularistic spending has on the ability of groups to compete on even grounds. If state spending on social welfare and infrastructure favours certain groups or sets of constituents above others, then the barriers preventing equal access between the groups will vary accordingly.

The indicator is generated from responses on an ordinal scale ranging from 0 (particularistic) to 4 (public goods), which is then converted to a 0-1 interval scale by the measurement model

⁶³ Coppedge et. al. 2022a

⁶⁴ Coppedge et. al. 2022b

⁶⁵ Coppedge 2022a: 164-165

outlined in the V-Dem methodology.⁶⁶ An overview of the responses is provided in the appendix, see A.1.

5.1.2. Access to political power

The V-Dem index (2) `v2xeg_eqaccess` measures the extent to which access to political power is equally accessible to all.⁶⁷ It emphasises the notion that neither formal protection of rights and freedoms nor equal distribution of resources by themselves secure adequate access to political power. The indicator measures to what extent groups within society enjoy equal *de facto* capabilities to participate in the political process through various channels. This is not limited to electoral access, but also extends to the ability of groups to serve in positions of political power and to influence policy making. The emphasis on broader sets of barriers which prevent equal access to political power makes it somewhat distinct as a proxy for equality of opportunity more broadly, compared to proxies which rely on access to basic public goods. Access to political power only captures a narrow section of available opportunities, which is a limitation. However, the barriers which prevent equal access to political power are also likely to be barriers which prevent access to other opportunities. Moreover, access to political power also serves as an important corrective mechanism which enables sections of society to ensure access to opportunities generally through inclusive institutions – a point which further emphasises the utility of access to political power as a proxy for equality of opportunity more broadly.

The index is aggregated using point estimates from a Bayesian factor analysis model of indicators which measure power distribution according to socioeconomic position (`v2pepwrse`), power distribution by social group (`v2pepwrsoc`), and power distribution by gender (`v2pepwrgen`).⁶⁸

5.1.3. Access to justice

The V-Dem index (3) `v2xcl_acjst` measures the access of citizens to secure and effective justice. Access to justice is understood as the ability of citizens to bring cases before courts without incurring risk to their personal safety, the fairness of trials, and the ability of citizens to seek redress if public authorities violate their rights, which include rights to counsel,

⁶⁶ Coppedge 2022b: 22-24

⁶⁷ Coppedge 2022a: 55-56

⁶⁸ Coppedge 2022a: 56

defence, and appeal.⁶⁹ In cases where access to justice is skewed in the favour of certain groups, or otherwise restricted to specific segments of society, the ability of individuals belonging to these groups to compete on an even playing field is virtually impossible. It is exceedingly difficult to conceive of how equality of opportunity can be achieved if members of one group can access justice to protect their rights while another group is subject to violations and abuse of their rights without access to remedial justice. With this in mind, it is important to note that access to justice has limitations as a proxy for equality of opportunity more broadly. It only captures a very narrow dimension of what ultimately is a much broader concept. However, in conjunction with the other indicators and indexes employed in this dissertation, it adds a valuable dimension without which equality of opportunity is fundamentally undermined.

The index is estimated by averaging the indicators for access to justice for men (vc2clacjstm) and access to justice for women (v2clacjstw). These two indicators are generated from responses on an ordinal scale ranging from 0 (non-existent access to justice) to 4 (access to justice is almost always observed), which is then converted to a 0-1 interval scale by the measurement model outlined in the V-Dem methodology.⁷⁰ An overview of the responses is provided in the appendix, see A.2.

5.1.4. Access to education

The V-Dem indicator (4) v2peedueq measures the extent to which high quality basic education is guaranteed and accessible to all, to the extent that it enables them to exercise their rights as adult citizens.⁷¹ This refers to the education that is typically provided between ages 6 and 16, with some variation between countries. The distribution of access to education, and the extent to which it is equal, is highly relevant to equality of opportunity more broadly. If segments of the population are denied basic education, it is virtually impossible to conceive how they can compete on an even footing with other segments or groups who do receive privileged access. The absence of a basic education creates immense barriers that obstruct a myriad of opportunities that presuppose basic literacy and other skills acquired through basic education. While basic education on its own does not ensure equality of opportunity, it is absolutely necessary for equality of opportunity to be achieved.

⁶⁹ Coppedge 2022a: 176-177

⁷⁰ Coppedge 2022b: 22-24

⁷¹ Coppedge 2022a:

The indicator is generated from responses on an ordinal scale ranging from 0 (extremely unequal access) to 4 (equal access and quality of basic education), which is converted to a 0-1 interval scale by the measurement model outlined in the V-Dem methodology.⁷² An overview of the responses is provided in the appendix, see A.3.

5.1.5. Access to healthcare

The V-Dem indicator (5) v2pehealth measures to what extent high quality basic healthcare is guaranteed to all citizens, to the extent that they are able to exercise their basic political rights as adults.⁷³ By emphasizing the impact poor-quality healthcare can have on the prevalence of preventable and treatable illnesses that render citizens unable to work, participate in social or political organizations, or vote, the indicator serves as a very direct proxy for equality of opportunity. If members of society are routinely deprived access to healthcare that enable them to work or participate in political- and civil society, then their prospective opportunity is severely limited compared to members of society who enjoy access to basic, high-quality healthcare. There is also a compounding factor driven by unequal health outcomes that result from unequal access to health care. When healthy individuals accrue wealth as a result of their ability work or even engage in rent-seeking activities, their ability to secure better and more comprehensive healthcare in systems where health-care access is unequal puts them at a further advantage relative to segments of society who are denied equal access. However, it is important to stress that as is the case with previously listed indicators and indexes, the V-Dem indicator for equality of access to healthcare only captures a limited dimension of equality of opportunity, albeit a very direct and important one. Similarly, it shares some of the characteristics highlighted in section 5.1.4. discussing equal access to education: While it is limited in what it captures, it nevertheless represents a critical set of barriers which cannot be ignored when attempting to map equality of opportunity. This proxy is also highly relevant to the arguments put forward by Case, Deaton and others in chapter 4 related to the impact of opportunities and healthcare on health outcomes.⁷⁴

The indicator is generated from responses on an ordinal scale ranging from 0 (extremely unequal access to healthcare) to 4 (nearly all citizens have access to healthcare that does not impede exercising of rights). The ordinal scale is converted to a 0-1 interval scale by the

⁷² Coppedge 2022b: 22-24

⁷³ Coppedge 2022a: 207

⁷⁴ Case & Deaton 2020; Schrecker 2020; Whitehead et. al 2016

measurement model outlined in the V-Dem methodology.⁷⁵ An overview of the responses is provided in the appendix, see A.4.

5.2. Independent variables – Globalization

As outlined in chapter 2, globalization is a complex and multidimension phenomenon. Earlier studies focused on the effects of globalization on human rights have relied primarily economic indicators, such as the extent of capital controls, openness to trade and foreign direct investment volumes.⁷⁶ More recent studies, however, have benefited from indicators provided by the KOF Globalization Index.⁷⁷ The KOF Globalization Index is a composite index which measures globalization for most countries in the world along three main dimensions. These dimensions are economic globalization, social globalization, and political globalization.⁷⁸ Originally developed and published by Axel Dreher in 2006, the index has since undergone revisions that have added additional and expanded dimensions- and subdimensions of globalization. The most recent revision in 2019 expanded the scope and granularity of the index, by distinguishing between *de jure* and *de facto* globalization. This change allows researchers to distinguish between policy and actual flows or activities in practice. Additionally, the 2019 revision also disentangles trade and financial globalization into two distinct indicators.⁷⁹ These changes make the index very well suited for studying the impact and consequences of globalization with a degree of precision that many other globalization measurements do not provide.

The models presented in this thesis rely on four main independent variables that measure various dimension of globalization.

- (1) The KOF Globalization Index (KOFGI). This indicator measures a broad conceptualization of globalization, constituting all of its component dimensions.
- (2) The KOF Economic Globalization Index (KOFEcGI). This index captures international flows of goods, services and the regulations which govern these flows, in addition to the financial dimensions measuring international payments, debts or investments, as well as the openness of states to international investment and capital.

⁷⁵ Coppedge 2022b: 22-24

⁷⁶ Dreher et al. 2011; Apocada 2001; Hafner-Burton 2005

⁷⁷ Dreher 2006

⁷⁸ Dreher 2006; Dreher et. al. 2008; Gygli et. al. 2019

⁷⁹ Gygli et. al. 2019

- (3) The KOF Social Globalization Index (KOFSoGI). This index captures flows of people and information using travel, information transfers and telecommunications.
- (4) The KOF Political Globalization Index (KOFPoGI). This index captures the presence of embassies, international NGOs, international treaties and treaty partner diversity to determine the extent of global political interconnectivity.

Additional indicators have been used in robustness tests. For instance, where the indicator for Economic Globalization is used in regressions, the de-facto and de-jure indicators are used and compared in robustness tests to ensure that there is no significant difference between the two, as has been the case in some empirical studies on globalization and growth.⁸⁰ All indicators measure a dimension or sub-dimension which is accounted for in the full overview of the revised KOF Globalization index, provided in the appendix – see A.6.

5.3. Control variables

The statistical models include several control variables to limit the impact of confounding factors that could negatively impact the validity of findings. The main concern of this thesis is the relationship between globalization and its impact on equality of access, or equality of opportunity more generally. As several of the measurements for equality of opportunity relate directly or indirectly to the ability of citizens to access public goods or political power directly, it is necessary to introduce a control for regime type. The control variable “Electoral democracy index” (v2x_polyarchy) provided by V-Dem is included for this purpose.⁸¹ The index measures to what extent electoral democracy is present in the included countries.

The second control variable included in models is GDP per capita in constant 2010 USD (lgdppc). The level of development can severely impact the extent to which basic goods and services are accessible to citizens, and of the ability of groups to access them equally. In countries where development is lacking, poverty, starvation or lack of other basic goods may introduce barriers that are necessary to control for. The data on GDP per capita is obtained from the World Development Indicators databank, published and maintained by the World Bank. This variable is log transformed to reduce the effect of extreme values, and to ensure that statistical assumptions of normality of variance and skewness are met.

The third control variable is total population size (lpop). This variable is included due to the impact larger and more heterogeneous populations can have on both equality of opportunity

⁸⁰ Gygli et. al. 2019;

⁸¹ Coppedge et. al. 2022a: 43-44

and globalization. Larger countries, like China or the United States, are more resistant to the pressure of globalization due to the presence of vast internal markets. Compared to smaller and less populous countries, this potential effect must be accounted for. Additionally, large heterogeneous populations may be more prone to unequal access than smaller, homogeneous populations. The data on population size is also obtained from the World Development Indicators databank, maintained and published by the World Bank. This variable is also log transformed to reduce the effect of extreme values, and to ensure that statistical assumptions of normality of variance and skewness are met.

The fourth and fifth control variables control for the presence of civil war, as ongoing or relatively recent armed conflicts could significantly impact the degree of equal access among groups in the affected countries. It is difficult to conceive of a scenario where rebel groups or militant dissidents enjoy equal access to public services or political power relative to other segments of society. The data on civil war is retrieved from the Uppsala Data Conflict program, and includes variables on the presence of armed civil conflict (civilwar) and periods of peace (peaceyrs). “Civilwar” is coded as a dummy variable which indicates the presence or absence of armed conflict between rebel groups and the state exceeding 25 battle-deaths within a year. “Peaceyrs” denotes the period of peace countries have enjoyed since the last recorded civil war. This control variable is included due to the lingering effects civil strife may have on equality of access, as countries that have experienced long periods of peace are more likely to afford equal opportunities to its citizens compared to countries which have a recent history of armed civil conflict.

The sixth control variable is the presence of natural resources like oil and natural gas (lresources). The presence of these resources can significantly impact the ability and willingness of states to provide particularistic benefits to supporters and to systematically deprive dissident groups in ways that the models presented in this thesis must account for. Additional variables for population density and urban populations were included as part of robustness tests, but these are not included in the final models. Note that the variables measuring development (lgdppc), population (lpop) and natural resources (lresources) are log transformed to reduce the effect of extreme values, and to ensure that statistical assumptions of normality of variance and skewness are met.

6. Statistical modelling

Before constructing complex models, it is necessary to address problems that interfere with our ability to meaningfully interpret results. By first constructing a baseline model and performing a Wooldridge test for autocorrelation in the panel data, it is possible to determine whether models will be affected by first-order autocorrelation. The baseline model, which includes the dependent variable `v2phealth` (access to health), main independent variable `KOFGI` (globalization) with the added control variables `lgdppc` (gdp per capita) and `v2x_polyarchy` (regime type, electoral democracy) is likely to have problems with autocorrelation. Performing a Wooldridge test for autocorrelation in panel data strongly rejects the H_0 of no first-order autocorrelation. This problem is addressed by taking advantage of OLS regressions using Driscoll-Kraay standard errors, as outlined in chapter 5.⁸²

Time-invariant factors, such as colonial history, culture, or geography, are potentially relevant to the questions posed in this thesis. As they are unobserved in the models, it is necessary to determine whether the fixed-effect specification is significantly different to the random-effect estimation. The Hausman test suggests shows that there is no systematic difference between random and fixed specifications. Further models will therefore be specified for fixed effects, to account for time-invariant factors, and random specification are used as part of robustness tests. Additionally, all independent variables are lagged by one year. This is done to address the problem of potential simultaneity bias.

The end of the cold war, and the dissolution of the Soviet Union, created a watershed moment that significantly impacted trajectory of globalization. With new countries emerging and the opening of east bloc economies to global trade, models covering the entire period from 1970-2017 may be adversely affected by this shift if left unaccounted for. To control for these factors, alternate models use a narrower sample that omit years prior to 1990, as in model (3), (4) and (5) listed in table 1 below. Additional control variables are added sequentially. Alternate models which exclude countries that are not traditionally viewed as “developed industrial economies” are also provided. These countries include Anglo-American and Western-European countries as well as Japan. A full list of countries included in this category is provided in the appendix, see A.5. This distinction makes it possible to investigate whether

⁸² Hoechle 2007

the global trends also hold true for this group of countries, as much of the recent debate on the merit of globalization is centred on countries which belong to this bloc.

Table 1: Measuring the impact of globalization on equality of access to healthcare

	(1)	(2)	(3)	(4)	(5) Developed industrial democracies
Dep var = Access to healthcare	Full sample fe	Full sample re	1990 onward fe	1990 onward fe	1990 onward fe
Globalization	0.008*** (0.002)	0.011*** (0.000)	0.001 (0.001)	-0.001 (0.001)	-0.047*** (0.007)
Polyarchy	0.625*** (0.086)	0.681*** (0.082)	0.367*** (0.085)	0.335*** (0.098)	6.073*** (1.274)
GDP per capita	0.154*** (0.018)	0.197*** (0.030)	0.106*** (0.039)	0.073** (0.037)	-0.358* (0.201)
Population size	0.029*** (0.006)	0.061** (0.024)	0.482*** (0.061)	0.504*** (0.057)	-1.277*** (0.313)
Civil war				-0.075*** (0.023)	-0.198*** (0.066)
Years of peace				0.003*** (0.001)	-0.002 (0.001)
Natural resources				-0.045** (0.018)	-0.063 (0.076)
Observations	7122	7122	5010	4816	678
Number of groups	170	170	170	169	23

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Years fixed effects estimated

X-variables lagged 1 year

This model provides a firm foundation for analysing the impact of globalization, comprising all dimensions captured by the KOF Globalization Index, on access to high quality basic healthcare. However, as laid out previously, this only captures a narrow aspect of equality of opportunity. To examine the impact of globalization on equality of opportunity more broadly, it is necessary to create similar models for the other proxies presented in sections 5.1.1-5.1.5. In addition to access to healthcare, these models include (1) *particularistic- or public goods profile of social and infrastructural public spending* (v2dlencmps), (2) *equal access to political power index* (v2xeg_eqaccess), (3) *secure and effective access to justice* (v2xcl_acjst), and (4) *educational equality* (v2peedueq). A comparative overview of the models using alternate proxies is provided in table 2.

Table 2: Measuring the impact of globalization on equality of opportunity

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	World	Developed	World	Developed	World	Developed	World	Developed	World	Developed
Dependent variables	fe Access to healthcare	fe Access to healthcare	fe Particularistic/ public goods	fe Particularistic/ public goods	fe Access to pol. power	Fe Access to pol. Power	fe Access to justice	fe Access to justice	fe Access to education	fe Access to education
Globalization	-0.000 (0.001)	-0.047*** (0.007)	-0.001 (0.002)	0.011* (0.006)	-0.001** (0.001)	0.001* (0.001)	-0.001 (0.001)	-0.001* (0.001)	-0.003* (0.002)	0.004 (0.005)
Polyarchy	0.335*** (0.098)	6.074*** (1.274)	1.693*** (0.186)	3.060*** (0.678)	0.332*** (0.021)	0.851*** (0.243)	0.427*** (0.032)	-0.260*** (0.070)	0.398*** (0.052)	0.888 (0.849)
GDP per capita	0.073* (0.037)	-0.358* (0.201)	0.053 (0.049)	-0.080 (0.134)	-0.001 (0.007)	0.006 (0.020)	0.017*** (0.006)	0.005 (0.004)	0.015 (0.041)	-0.251** (0.100)
Population size	0.504*** (0.057)	-1.277*** (0.313)	-0.523*** (0.037)	0.209 (0.223)	-0.002 (0.008)	0.010 (0.034)	-0.002 (0.006)	0.033*** (0.007)	0.645*** (0.048)	0.389* (0.226)
Civil war	-0.075*** (0.023)	-0.198*** (0.066)	-0.013 (0.026)	0.046 (0.047)	0.011*** (0.003)	-0.065*** (0.017)	-0.027*** (0.006)	0.021** (0.008)	-0.043** (0.019)	0.039 (0.025)
Years of peace	0.003*** (0.001)	-0.002 (0.001)	-0.000 (0.001)	-0.003*** (0.001)	0.000 (0.000)	-0.000 (0.000)	0.001*** (0.000)	0.001*** (0.000)	0.002*** (0.001)	0.001 (0.000)
Natural resources	-0.045** (0.018)	-0.063 (0.076)	0.032 (0.019)	-0.099 (0.074)	-0.002 (0.002)	-0.014** (0.006)	-0.010** (0.004)	0.003 (0.002)	-0.085*** (0.021)	-0.025 (0.044)
Constant	0.000 (0.000)	0.000 (0.000)	0.000 (0.000)	0.000 (0.000)	0.000 (0.000)	0.000 (0.000)	0.000 (0.000)	0.000 (0.000)	0.000 (0.000)	0.000 (0.000)
Observations	4,816	678	4,816	678	4,816	678	4,816	678	4,816	678
Number of groups	169	23	169	23	169	23	169	23	169	23

Standard errors in parentheses
 *** p<0.01, ** p<0.05, * p<0.1
 Years fixed effects computed
 X-Variables lagged by 1 year

These models provide a solid foundation which makes it possible to gauge the impact of globalization generally. However, the most widely discussed and contested dimension of globalization is the economic dimension. To disentangle the impact of political and social globalization on equality of opportunity, and to isolate the impact of economic globalization specifically, a new set of models are generated using the KOF Globalization Index indicator for Economic Globalization (KOFEcGI). All other variables and specifications remain unchanged. An overview is provided in table 3 below. Note that this index captures both trade and financial globalization – de facto and de jure – as outlined in the KOF Globalization Index overview. The models presented in table 3 are robust to alternate modelling using trade- and financial globalization. Further details on what these indicators capture, see A.6 in the appendix. Similar models measuring the separate impact of political globalization and social globalization on equality of opportunity are presented in tables 4 (social globalization) and 5 (political globalization). These models make it possible to analyse the impact of the three main dimensions of globalization separately, and to compare their impacts on equality of opportunity as captured by the independent variables.

Table 3: Measuring the impact of economic globalization on equality of opportunity

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	World	Developed	World	Developed	World	Developed	World	Developed	World	Developed
Dependent variables	fe	fe	fe	fe	fe	fe	fe	fe	fe	fe
	Access to healthcare	Access to healthcare	Particularistic/public goods	Particularistic/public goods	Access to pol. power	Access to pol. power	Access to justice	Access to justice	Access to education	Access to education
Economic glob.	-0.001 (0.001)	-0.025*** (0.007)	-0.004*** (0.001)	-0.003 (0.005)	-0.001*** (0.001)	-0.001** (0.001)	-0.001*** (0.001)	-0.001 (0.001)	-0.001 (0.001)	-0.001 (0.003)
Polyarchy	0.339*** (0.098)	5.832*** (1.251)	1.698*** (0.185)	2.748*** (0.676)	0.328*** (0.019)	0.812*** (0.236)	0.426*** (0.031)	-0.258*** (0.071)	0.391*** (0.051)	0.769 (0.843)
GDP per capita	0.073* (0.038)	-0.336 (0.230)	0.059 (0.047)	-0.093 (0.134)	-0.004 (0.006)	0.005 (0.020)	0.017*** (0.005)	0.005 (0.004)	0.005 (0.037)	-0.256** (0.103)
Population size	0.487*** (0.057)	-1.353*** (0.397)	-0.582*** (0.041)	-0.052 (0.311)	-0.011 (0.007)	-0.021 (0.039)	-0.009 (0.006)	0.034*** (0.007)	0.626*** (0.047)	0.290 (0.191)
Civil war	-0.075*** (0.022)	-0.208*** (0.054)	-0.010 (0.027)	0.042 (0.044)	0.012*** (0.003)	-0.066*** (0.017)	-0.027*** (0.006)	0.021** (0.008)	-0.042** (0.019)	0.037 (0.025)
Years of peace	0.003*** (0.001)	-0.003** (0.001)	0.000 (0.001)	-0.003*** (0.001)	0.000 (0.000)	-0.000* (0.000)	0.001*** (0.000)	0.001*** (0.000)	0.002*** (0.001)	0.001 (0.000)
Natural resources	-0.045** (0.018)	-0.034 (0.083)	0.045** (0.021)	-0.108 (0.072)	0.001 (0.002)	-0.014** (0.006)	-0.008** (0.004)	0.003 (0.002)	-0.084*** (0.020)	-0.029 (0.044)
Constant	0.000 (0.000)	0.000 (0.000)	0.000 (0.000)	0.000 (0.000)	0.000 (0.000)	0.000 (0.000)	0.000 (0.000)	0.000 (0.000)	0.000 (0.000)	0.000 (0.000)
Observations	4,816	678	4,816	678	4,816	678	4,816	678	4,816	678
Number of groups	169	23	169	23	169	23	169	23	169	23

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Years fixed effects computed

X-Variables lagged by 1 year

Table 4: Measuring the impact of social globalization on equality of opportunity

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	World	Developed	World	Developed	World	Developed	World	Developed	World	Developed
Dependent variables	Access to healthcare	Access to healthcare	Particularistic/public goods	Particularistic/public goods	Access to pol. power	Access to pol. power	Access to justice	Access to justice	Access to education	Access to education
Social glob.	0.011*** (0.002)	-0.022*** (0.005)	0.013*** (0.002)	0.000 (0.005)	0.000 (0.000)	0.003*** (0.001)	0.001*** (0.001)	-0.001*** (0.001)	0.003*** (0.001)	-0.004 (0.004)
Polyarchy	0.273** (0.102)	6.766*** (1.406)	1.620*** (0.199)	2.885*** (0.614)	0.325*** (0.021)	0.848*** (0.236)	0.418*** (0.032)	-0.256*** (0.068)	0.370*** (0.053)	0.812 (0.835)
GDP per capita	0.007 (0.040)	-0.409* (0.219)	-0.024 (0.052)	-0.090 (0.125)	-0.008 (0.005)	0.020 (0.018)	0.007 (0.005)	0.002 (0.004)	-0.014 (0.037)	-0.275** (0.104)
Population size	0.512*** (0.049)	-0.876** (0.330)	-0.512*** (0.031)	0.053 (0.202)	0.003 (0.011)	0.040 (0.032)	0.000 (0.007)	0.029*** (0.006)	0.656*** (0.055)	0.274 (0.211)
Civil war	-0.075*** (0.023)	-0.217*** (0.073)	-0.013 (0.025)	0.045 (0.045)	0.012*** (0.003)	-0.061*** (0.017)	-0.027*** (0.006)	0.020** (0.008)	-0.043** (0.019)	0.033 (0.024)
Years of peace	0.003*** (0.001)	-0.003* (0.001)	0.000 (0.001)	-0.003*** (0.001)	0.000 (0.000)	-0.000 (0.000)	0.001*** (0.000)	0.001*** (0.000)	0.002*** (0.001)	0.001 (0.001)
Natural resources	-0.037** (0.016)	-0.040 (0.080)	0.041** (0.019)	-0.107 (0.071)	-0.002 (0.002)	-0.013*** (0.005)	-0.009** (0.004)	0.003 (0.002)	-0.085*** (0.020)	-0.031 (0.043)
Constant	0.000 (0.000)	0.000 (0.000)	0.000 (0.000)	0.000 (0.000)	0.000 (0.000)	0.000 (0.000)	0.000 (0.000)	0.000 (0.000)	0.000 (0.000)	0.000 (0.000)
Observations	4,816	678	4,816	678	4,816	678	4,816	678	4,816	678
Number of groups	169	23	169	23	169	23	169	23	169	23

Standard errors in parentheses
 *** p<0.01, ** p<0.05, * p<0.1
 Years fixed effects computed
 X-Variables lagged by 1 year

Table 5: Measuring the impact of political globalization on equality of opportunity

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	World	Developed	World	Developed	World	Developed	World	Developed	World	Developed
	fe	fe	fe	fe	fe	fe	fe	fe	fe	fe
Dependent variables	Access to healthcare	Access to healthcare	Particularistic/public goods	Particularistic/public goods	Access to pol. power	Access to pol. power	Access to justice	Access to justice	Access to education	Access to education
Political glob.	-0.003*** (0.001)	-0.020*** (0.004)	-0.001 (0.001)	0.015*** (0.003)	-0.001 (0.001)	-0.001 (0.001)	-0.001 (0.001)	0.001 (0.001)	-0.002** (0.001)	0.008* (0.004)
Polyarchy	0.356*** (0.096)	6.705*** (1.359)	1.694*** (0.183)	2.965*** (0.604)	0.328*** (0.021)	0.839*** (0.242)	0.427*** (0.032)	-0.254*** (0.069)	0.401*** (0.052)	0.863 (0.824)
GDP per capita	0.088** (0.036)	-0.261 (0.198)	0.053 (0.046)	-0.131 (0.145)	-0.004 (0.006)	0.007 (0.020)	0.017*** (0.005)	0.005 (0.004)	0.014 (0.039)	-0.277** (0.113)
Population size	0.513*** (0.060)	-0.623** (0.294)	-0.517*** (0.037)	0.058 (0.160)	0.003 (0.011)	0.001 (0.037)	-0.000 (0.007)	0.037*** (0.006)	0.661*** (0.052)	0.333* (0.195)
Civil war	-0.078*** (0.023)	-0.161** (0.075)	-0.013 (0.026)	0.022 (0.050)	0.011*** (0.003)	-0.065*** (0.016)	-0.027*** (0.006)	0.021** (0.008)	-0.045** (0.019)	0.026 (0.025)
Years of peace	0.003*** (0.001)	-0.001 (0.002)	-0.000 (0.001)	-0.004*** (0.001)	0.000 (0.000)	-0.000 (0.000)	0.001*** (0.000)	0.001*** (0.000)	0.002*** (0.001)	0.000 (0.001)
Natural resources	-0.045** (0.018)	-0.057 (0.079)	0.031* (0.018)	-0.086 (0.074)	-0.003 (0.002)	-0.015** (0.006)	-0.010*** (0.004)	0.003 (0.002)	-0.087*** (0.021)	-0.017 (0.046)
Constant	0.000 (0.000)	0.000 (0.000)	0.000 (0.000)	0.000 (0.000)	0.000 (0.000)	0.000 (0.000)	0.000 (0.000)	0.000 (0.000)	0.000 (0.000)	0.000 (0.000)
Observations	4,816	678	4,816	678	4,816	678	4,816	678	4,816	678
Number of groups	169	23	169	23	169	23	169	23	169	23

Standard errors in parentheses
 *** p<0.01, ** p<0.05, * p<0.1
 Years fixed effects computed
 X-Variables lagged by 1 year

7. Results

7.1. The effect of globalization on equality of opportunity

Table 2 presents the results of globalization – as measured by the KOF Globalization Index (KOFGI) – on equal access to justice, healthcare, education, political power, and public goods. These indices are selected for the purpose of capturing equality of opportunity more broadly, as unequal access to these goods or services will impede opportunities generally among disenfranchised or excluded groups. The results paint a complicated picture of globalization and its effect on equality of opportunity. The models measuring global trends, including the full sample of 170 countries, show that there is no statistically significant relationship between globalization and access to healthcare, justice, or public goods generally. However, models (5) and (9) indicate that there are negative correlations between globalization and access to political power (5) and education (9). The effect of globalization on access to political power is significant at the 0.05 threshold, whereas access to education is only significant at the 0.1 threshold. Adhering to p-values of 5% as necessary for statistical significance excludes globalization and access to education from further analysis.

Subsequently, the focus will be directed at the relationship between globalization and access to political power when analysing effects and implications. To get a better understanding of the substantive impact of globalization on access to political power specifically, we can use the within-value of a standard deviation multiplied by the coefficient as a means of comparison. A country that increases the level of globalization overall (measured by KOFGI) by one standard deviation decreases access to political power by 11% of a standard deviation. While the effect is not extremely pronounced, it is nevertheless significant and substantial to the point where it should not be ignored.

How do these findings on global trends compare to trends within the traditionally developed industrial democracies (TDID)? As stated previously, much of the ongoing debate on the merits of globalization is occurring within countries that belong to this group of states. Table 2 shows that the only relationship that is firmly rejected as being not statistically significant is the effect of globalization on access to education within the TDID sample, see model (10). Models (4) and (6) show that there is a positive correlation between globalization and access to political power and public goods spending. However, these models are only significant at the 0.1 level. For the same reasons specified above, these findings will not be included in further analysis – but it is noteworthy that both variables correlate positively with

globalization, which is the opposite trend of what is observed in the global models.

Globalization and access to justice correlate negatively, but similar to models (4) and (6), this model is also only statistically significant at 0.1 levels and is also excluded from further analysis.

Of the models investigating the effects of globalization on various aspects of equality of opportunity within TDID countries, the only model that shows a statistically significant effect is model (2), which measures the effect of globalization on access to healthcare. This model shows that there is a statistically significant negative correlation between globalization and access to healthcare. This result supports the view that globalization leads to less equal access to healthcare within TDID countries. The question of whether this is primarily a result of economic globalization, or alternatively social or political globalization, is of particular interest, as it relates directly to the problem of deaths of despair experienced in TDID countries, particularly the United States. The substantive impact of globalization on access to healthcare within this smaller sample is therefore of particular interest. Based on model (2), if a country within the TDID sample increases globalization by one standard deviation, the decrease in equal access to healthcare amounts to 70% of the standard deviation of access to healthcare – a dramatic impact.

7.2. The effect of economic globalization on equality of opportunity

Table 3 presents the impact of globalization on the selected indicators that measure equal access. Of the five models using a global sample including all 169 countries, model (1) measuring the effect of economic globalization on equal access to healthcare and model (9) measuring the effect on education are not statistically significant. This is consistent with the results presented in table 2, concerning globalization generally. However, unlike the effect of globalization generally, economic globalization specifically correlates negatively with access to public goods (3), access to political power (5) and access to justice (7). These findings are all statistically significant. The trend for economic globalization using full sample models is unmistakably one-sided. As economic globalization increases, access to public goods and services becomes increasingly unequal within countries. To better understand the substantive impact of these results, we can again use a standard deviation increase to gauge its impact. If a country within the full sample increases economic globalization by one standard deviation, the change in public-goods spending amounts to a 1% decrease, the change in equal access to

political power amounts to an 11% decrease, and the change in equal access to justice amounts to a 7% of a standard deviation decrease. While the shift to more particularistic spending is minimal, the impact of economic globalization on access to political power and justice is significantly more substantial.

The models using TDID samples differ from the models using global samples in several aspects. First, there is a statistically significant negative correlation between economic globalization and access to healthcare, as shown by model (2). This result is similar to that of globalization generally. Second, where models using world samples indicates that there are statistically negative correlations between economic globalization and access to justice as well as access to public goods, no such correlation can be established using TDID samples. However, global and TDID samples both indicate that there is a statistically significant negative correlation between economic globalization and access to political power, seen in models (5) and (6). The trend which emerged from models using global samples is mirrored by the models using TDID samples. Where statistically significant correlations are found, the trend is negative – results that support the view of economic globalization as a driving force behind less equal access. What of the substantive effects of these results? If a country from within the TDID sample increases economic globalization by one standard deviation it would account for a 44% of the standard deviation decrease in equal access to healthcare. This effect is less pronounced than that of globalization generally, but it is nevertheless considerable. The same increase in economic globalization would account for a 13% of the standard deviation decrease in equal access to political power.

7.3. The effect of social globalization on equality of opportunity

Although much of the debate concerning globalization is centred on the economic and financial dimensions, the social dimensions are also of interest to the questions posed in this thesis. As borders become more porous to the spread of ideas, information and people, the direct and indirect impact on equal access becomes increasingly relevant. Table 4 presents the effects of social globalization on the various indices for equal access. Social globalization – measured by the KOF Social Globalization Index (KOFSoGI) – is the dimension of globalization which encompasses the spread of ideas, information, and people.⁸³ The models measuring the impact of social globalization on equal access using the global sample finds that there is no statistically significant relationship between social globalization and political

⁸³ Dreher 2006; Keohane & Nye 2000: 4-5

power (5). However, models (1), (3), (7) and (9) indicate that there are statistically significant positive correlations between social globalization and equal access to (1) healthcare, (3) public goods spending, (7) justice and (9) education. Globally, the trend is unmistakably positive – as social globalization leads to an increase in access to basic public goods within countries. According to the presented models, there are no statistically significant negative correlations between social globalization and equal access, which separates it markedly from globalization overall, and economic globalization specifically. The substantive impact of social globalization is presented in table 6.

Table 6: Substantive impact of increasing social globalization by one standard deviation

	Access to healthcare	Access to public goods	Access to justice	Access to education
Social globalization	33% increase	27% increase	19% increase	8% increase

Impact listed as % measures the change as a percentage of one standard deviation

Although the global trend is unmistakably positive, the results from models using the TDID sample show more mixed results. Models (4) and (10) indicate that, within the smaller sample, there is no statistically significant correlation between social globalization and (4) access to public goods spending nor between social globalization and (10) access to education. However, models (2) and (8) show that there are statistically significant negative correlations between social globalization and (2) access to healthcare as well as (8) access to justice. The substantive impact of a country within the TDID sample increasing its level of social globalization by one standard deviation would result in a decrease in equal access to healthcare by 46% of a standard deviation. This impact is second only to the impact of economic globalization on the same variable. The impact of social globalization on access to justice is also very substantial within the TDID sample. An increase in the level of social globalization by one standard deviation would result in a decrease in access to justice by 35%.

The only statistically significant positive correlation is the effect of social globalization on access to political power, shown in model (6). This positive impact is sizeable – an increase in social globalization by one standard deviation results in an increase in access to political power by 68%.

7.4. The effect of political globalization on equality of opportunity

The effects of political globalization – the diffusion of government policies, as measured by the KOF political globalization index – are presented in table 5. The global models indicate that there are no statistically significant relationships between political globalization and access to public goods spending (3), political power (5) or access to justice (7). However, there are statistically significant negative correlations between access to healthcare (1) and access to education (9). The substantive impact of political globalization on access to healthcare – which is of particular interest to this thesis – is very modest. A standard deviation increase in political globalization will decrease access to healthcare by an estimated 8%. The impact of political globalization on access to education is similarly modest, with an increase in political globalization by one standard deviation will account for a 6% decrease of a standard deviation of access to education. While the substantive impact is not very pronounced, the trend overall supports the view that political globalization results in less equal access based on models which use the global sample.

The impact of political globalization on the TDID sample shares some of the trends found in models using the global sample. The TDID models measuring the impact of political globalization on access to political power (6), access to justice (7) and access to education (10) indicate that there are no statistically significant relationships between them. However, unlike the global sample, the TDID model shows that there is a statistically significant and positive correlation between political globalization access to public goods generally (4). As countries within this sample become more politically globalized, the characteristic of public spending becomes increasingly defined by less particularistic tendencies, and more investments toward public goods. The substantive impact of political globalization on public spending characteristics is significant – an increase of political globalization by one standard deviation will shift public spending toward public goods by 22%. Finally, model (2) shows that there is a statistically significant negative correlation between political globalization and access to healthcare. Again, this finding is of particular interest to this thesis, as impact of globalization on access to healthcare within the TDID sample is particularly relevant to the increase of deaths of despair within these countries. The impact of political globalization on access to healthcare is substantial – an increase of political globalization by one standard deviation leads to a decrease in access to healthcare by 22%. This result is much more pronounced in models using the TDID sample compared to the global sample, which

indicates that the effect of political globalization makes access to healthcare less equal within the smaller sample despite causing public spending to become more defined by public goods spending.

7.5. Summarized results

Overall, the presented results paint a picture which is reflective of the broader scientific literature on globalization – in that results diverge in directions, and it is difficult to establish a firm consensus. First and foremost, it is important to stress that these results highlight the extreme sensitivity of models to the operationalization of concepts and indicator selection. This point has been well made by other scholars in the field of inequality research, emphasizing operationalization as one of the key drivers behind contrasting and diverging results.⁸⁴ Although the results presented here are by means inoculated to the challenges posed by operationalization, the alternate modelling capturing various aspects of equality of opportunity takes steps to alleviate this concern. However, this approach requires a degree of care when interpreting results, as the potential risk of omitted variables for a broad set of models increases as alternate indicators capturing various aspects of the phenomenon may be subject to other confounding factors that are potentially omitted. With these considerations in mind, the question of whether it is possible to establish a general trend based on key findings must be addressed.

A summary of the results from the models using global samples shows that the only dimension of globalization which is associated with more equal access is social globalization. As seen in table 7 below, access to healthcare, justice and education all increase as a result of social globalization – and public spending is increasingly characterized by public goods spending rather than particularistic spending.

⁸⁴ Mills 2009

Table 7: Effects of increasing globalization by one standard deviation – world sample

	Access to healthcare	Access to public goods	Access to political power	Access to justice	Access to education
Social globalization	+33%	+27%	N/A	+19%	+8%
Political globalization	-8%	N/A	N/A	N/A	-6%
Economic globalization	N/A	-1%	-11%	-7%	N/A
Globalization overall	N/A	N/A	-11%	N/A	N/A

Impact listed as % measures the change as a percentage of one standard deviation

N/A denote results that are not statistically significant

While social globalization increases access globally, both political and economic globalization are decidedly restricting access. Political globalization specifically decreases access to healthcare as well as access to education, whereas economic globalization decreases access to political power and access to justice. Furthermore, economic globalization drives public spending towards more particularistic tendencies, thereby undermining the benefits certain groups enjoy from public spending relative to others. In summary, the global trend indicates that social globalization drives more equal access to opportunities, whereas all other dimensions – including globalization overall – lead to less equality of opportunity. The implications of these results will be discussed in more detail in chapter 8.

Table 8: Effects of increasing globalization by one standard deviation – TDID sample

	Access to healthcare	Access to public goods	Access to political power	Access to justice	Access to education
Social globalization	-46%	N/A	+68%	-35%	N/A
Political globalization	-22%	+22%	N/A	N/A	N/A
Economic globalization	-44%	N/A	-13%	N/A	N/A
Globalization overall	-70%	N/A	N/A	N/A	N/A

Impact listed as % measures the change as a percentage of one standard deviation

N/A denote results that are not statistically significant

The models investigating the effect of globalization within the smaller sample of traditionally developed industrial democracies (TDID-sample) yield interesting results, as seen in table 8.

First, unlike the global models, social globalization has a mixed impact on equality of opportunity. While access to healthcare and justice decrease, access to political power increases. Similar mixed results hold for political globalization. Although access to healthcare decreases, the overall spending of national budgets become less particularistic, and more is spent on public goods. Economic globalization is the only dimension of globalization which shows an entirely negative trend. More economic globalization leads to less equal access to healthcare and to political power. However, the most substantial result presented here relates to the impact globalization has on access to healthcare within the TDID sample. Without exception, all dimensions of globalization correlate negatively with access to healthcare – and the substantive impact is most consequential when accounting for globalization overall, rather than any of its separate dimensions. These results provide a strong foundation for addressing the core research question posed in this thesis, and as such, a discussion of broader implications is presented in chapter 8.1.

8. Implications and discussion

Consider the following statements: Unequal outcomes determined by circumstances are morally objectionable. Unequal outcomes determined by effort are much less so. This is the core of what motivates the focus of this thesis – to investigate the effect of globalization on equality of opportunity. The empirical evidence on globalization indicates that local levels of wealth inequality increase as a result of globalization – findings that are congruent with the general trajectory of wealth inequality as it observed over the last decades.⁸⁵ But what of the effect of globalization on the circumstances that inform the extent to which the generated wealth inequality can be justified? The results presented in this paper indicate that the critics of globalization have reason to voice their criticisms. Economic globalization – what is arguably the most contested and consequently most debated aspect of contemporary globalization – causes the level of equality of opportunity within countries globally to decrease. In other words, it produces more inequality of opportunity while also generating more wealth inequality within countries.

It is important to contextualize these results by laying out the impact of globalization on wealth inequality globally. The massive shift that has occurred over the last three decades, with massive segments of the global population being lifted out of poverty – particularly in India and China – would not have been possible without integrated global economies, and efficient global market- and supply chains. However, the results presented here indicate that not all is well in the global village, and the broader implications of these findings warrant further discussion.

8.1. Access to health and deaths of despair

The results presented in chapter 7 reveal a trend within the sample of traditionally developed industrial democracies – the TDID-sample – that relates to the ongoing debate on deaths of despair, particularly in the United States. As laid out previously, the increases in deaths of despair observed in the United States is primarily a combination of two factors. First, individuals experience a loss of agency and a degree of powerlessness, as circumstances restrict opportunities and deny individuals the ability to control their own destinies.⁸⁶ Second, the failure of health-care systems to alleviate the negative health outcomes brought on by these systemic factors drive many to drugs, alcohol and suicide. These two factors combine

⁸⁵ Potrafke 2015; Milanovic & Roemer 2016; Seligson 2014

⁸⁶ Whitehead et. al 2016

and form the root systemic cause of what Case & Deaton refer to as “deaths of despair”. The findings presented in this thesis relate to this dynamic in two key aspects. Most directly, the results from models using TDID samples show that globalization and all of its component dimensions substantially decrease access to healthcare within countries. Not only is this trend decidedly one of more inequality, but it is also very substantial. However, more restricted access to healthcare does not adequately capture the impact globalization can be seen to have on factors that directly interface with the problem of “deaths of despair”. To understand the dynamic more fully, it is necessary to look more closely at the influence of globalization on the ability of individuals to equally access opportunities, and how it relates to agency and control.

As wealth inequality increases, and equality of opportunity erodes, the notion that individuals retain the sense that they have agency, and are masters of their own destiny, becomes increasingly tenuous. In other words, as inequality of opportunity increases, and access to basic public goods becomes more unequal and increasingly restricted, the segments of the population that can no longer access these public goods are more hampered by circumstances, relative to other groups who enjoy full access. If the groups in society most negatively impacted by economic globalization in terms of wealth and income – namely blue-collar workers and low-skilled labour – are the same groups whose access to public goods is increasingly restricted, then it is not difficult to see how globalization directly impacts the problem of “deaths of despair”. This is compounded by the fact that access to healthcare is one of the proxies for equality of opportunity that is most substantively impacted by globalization overall – not only does globalization create circumstantial barriers through more inequality of opportunity, it also restricts access to services that can alleviate the negative health outcomes of this process.

The question of whether deaths of despair in the United States result from the idiosyncrasies unique to the American system and institutional arrangements, or whether it is indicative of a more general trend, is difficult to answer. However, dismissing the experiences of the United States because the implications force us to confront difficult dilemmas is highly irresponsible. Although there is certainly a discussion to be had about American idiosyncrasies and the relevancy of these findings on a case-by-case basis, we should not be dismissive of these results at the outset. This argument is well made by Case & Deaton:

[The] faults of contemporary capitalism are widespread, and America is simply the leader of a more general disaster that is already taking root elsewhere and will spread further in the future. We suspect

that the truth has elements of both stories. That specific American arrangements exaggerate and catalyze the catastrophe, so that while the US is indeed in the vanguard, with others following, other countries are unlikely to be ever as severely affected.⁸⁷

The results presented here cannot – and should not – be overinterpreted to say that less equal access to opportunities will result in deaths of despair as seen in the United States. However, it is apparent that the underlying factors that drive deaths of despair – namely the loss of agency and lack of control over one’s own destiny – are captured, at least in part, by equality of opportunity. As globalization is seen to negatively impact access to healthcare and access to opportunities more broadly, the outcome of such a dynamic could prove disastrous to many if left unaddressed.

8.2. Populism and democratic backsliding

To ignore the negative impact globalization on equality of opportunity broadly, and on access to healthcare specifically, may lead to negative health outcomes among disenfranchised groups. This invites a new question: How do disenfranchised groups respond to experiencing the decline brought on by globalization? To address this question, we can conduct a thought experiment.

In our scenario, we follow the lived life of Susan, an average working-class citizen in a TDID-country whose absolute standard of living has stagnated, and whose relative standard of living has declined, compared to other sections of society. Upon further inspection we find that the stagnation and decline is not restricted to wealth and income – she has also experienced difficulties accessing healthcare to manage her deteriorating health – brought on by stress and anxiety rooted in the bleak economic prospects for herself and her children. Indeed, her ability to provide a quality education for her children beyond upper secondary education is in doubt due to poor finances – a factor that adds additional stress, further deteriorating her health. She is experiencing a decline in her standard of living, while also witnessing an increasing set of barriers which prevent her and her children from accessing opportunities that are readily available to others – and in the past, would have been available to them.

The processes that have undermined her standard of living are complex – and she has little control over the disadvantages they impose on her life. In recent weeks she has become aware of a political movement, or a political candidate, that promises to reverse these trends, and to

⁸⁷ Case & Deaton 2020: 186

provide her – and others like her – the agency and the opportunities that have eroded over the last decades. By promising to reverse current trends; to re-establish domestic industry; to limit the influx of foreign labour; to renegotiate the trade deals that lead to such miserable conditions in the first place, this new political movement succeeds in addressing what Susan perceives to be the root causes of her most weighty concerns. Indeed, in her own view, she would be a fool not to throw her lot in with anyone able to deliver on such promises. After all, the candidate promises to remedy her situation – even if it comes at a cost to others in distant lands.

This stylized thought experiment illustrates how individuals that have experienced a decline in wealth *and* opportunities as a result of globalization may become enthusiastic supporters of nativist and populist political movements that categorically reject the globalist project. By failing to adequately address the negative impacts of globalization locally, and by failing to mitigate the increased levels of wealth inequality in conjunction with an erosion of equal access, democratic governments may provide nourishment to political actors that can leverage nativist narratives to win support for their agendas. If demagogues and populists are the only voices in the political discourse able to alleviate the concerns voters like Susan have related to globalization, then a door is left open for actors with less concern for democratic institutions and traditions to establish themselves as legitimate alternatives. This may provide insight into the relationship between the effects of globalization experienced by the “losers of globalization” – the disenfranchised groups who have enjoyed few, if any, of the benefits globalization has provided – and increased trends of democratic backsliding in many, previously well-established, democracies. In 2021, The United States of America was added to the list of democracies that have experienced democratic backsliding by the International Institute for Democracy and Electoral Assistance (IIDEA).⁸⁸ If the United States – the ostensible hegemon of liberal democracies for the last several decades – is experiencing internal corrosion that threatens to undermine its democratic institutions, we would do well to take this problem with the seriousness it warrants.

It is important to note that although the finding presented in this thesis have implications on democratic backsliding, this thesis does not argue that it is the only, nor necessarily the primary, cause of democratic backsliding. That would overstate the argument by an order of magnitude. Rather, the point this thesis aims to raise regarding democratic backsliding, is that

⁸⁸ IIDEA 2021

failures to account for increased inequality within countries – both in terms of opportunities and outcomes – provides some insight into how democracy may become undermined from within. If the challenges are not addressed, political actors whose political agendas are not compatible with liberal democracy may win purchase – regardless of whether anti-globalization is a core feature of their ideologies.⁸⁹

8.3. The fundamental characteristics of political institutions

The results from statistical models presented in chapters 6 and 7 also speak to the overarching debate on long-term economic growth and development. While there are diverging views on the importance and role of institutions overall, the case made by Acemoglu & Robinson emphasises institutions as critical for long-term and sustained economic growth and development.⁹⁰ As briefly covered in chapter 2.1., “inclusive” political and economic institutions are key to understanding the argument put forward by Acemoglu & Robinson, and a brief account of their characteristics is warranted. Inclusive political institutions ensures that power is broadly dispersed and accessible within society. They are characterized by a combination of centralization and pluralism.⁹¹ Inclusive political institutions provide a foundation for inclusive economic institutions, as property rights of individuals are protected from arbitrary abuse of power for the purposes of protecting elite and vested interests. Established rules – the rule of law – constrain the most powerful actors in society and prevent them from abusing their position to extract wealth and benefit, or otherwise thwart economic opportunities that threaten creative destruction.

These two elements – inclusive political and inclusive economic institutions – establish sets of powerful feedback loops and create a “virtuous circle” of inclusive institutions. The equilibrium created by the virtuous circle is maintained by the constraints imposed on arbitrary exercise of power. One of the key elements that prevent the arbitrary abuse of power, is the diffusion – or distribution – of resources in society that follows from the logic of inclusive political and economic institutions. As elites are unable to accrue sufficient resources needed to establish themselves in a position powerful enough to deprive other groups of their political and economic inclusion, the equilibrium is maintained. This equilibrium also promotes a shared interest in maintaining the principle of rule-of-law, as

⁸⁹ Kalabunowksa 2019

⁹⁰ Acemoglu & Robinson 2013

⁹¹ Acemoglu & Robinson 2013: 79-83

these rules also protect competing elite interests from being denied their political and economic rights in turn. Self-interest within a pluralist institutional framework encourages the protection of inclusive political institutions, as they in turn ensure access to inclusive economic institutions that are necessary to secure their own empowerment. This institutional equilibrium is a key element which explains long-term and sustained growth.

Where inclusive institutions are defined by pluralism and broad access, extractive institutions are defined by the concentration of power and resources in the hands of a narrow elite. Extractive political institutions have virtually no checks on the exercise of arbitrary power according to the interests and preferences of the ruling elite. Political power – and political access – is narrowly concentrated, which enable elites to extract wealth through rents or taxes that would amount to theft or corruption within an inclusive framework. Extractive political institutions enable vested elites to select economic institutions that best serve their interests, and through these institutions, they are able to secure the resources necessary to further increase their positions of power. This “vicious circle” of extractive institution is the inverse of the “virtuous circle” of inclusive institutions described previously.⁹² While it is possible to experience economic growth under extractive institutions, it is not conducive to sustained development – as vested, extractive interests will, over time, increasingly resist creative destruction that is disruptive to the existing equilibrium. This, in turn, will stunt economic development.

With an understanding of why inclusive institutions are conducive to growth, and inversely why extractive institutions are limiting, the question of how this connects to the results presented in chapter 7 can be addressed in full. The key findings that speak to the inclusive or extractive characteristics of institutions, and the direction globalization pushes existing institutions, are captured by equal access to political power. The results show that economic globalization – both within the TDID sample and the global sample – decrease access to political power, and the impact is quite substantial. Indeed, the global sample shows that globalization overall has this same effect – in that access to political power decreases as countries become more globalized. These results by themselves indicate a problematic trend. However, the problem is compounded by empirical work done by Milanovic, Roemer and others, which establishes a causal link between globalization and the growing levels of wealth inequality within countries.⁹³ These two trends in conjunction pose a serious concern from

⁹² Acemoglu & Robinson 2013: 79-83, 335-367

⁹³ Milanovic & Roemer 2016; Potrafke 2015

the institutional perspective. Inclusive institutions are characterized primarily by pluralism – political power and resources are broadly distributed in society. What happens if access to political and economic institutions become increasingly restricted, as resources – in this case, wealth – become increasingly concentrated? Globalization – economic globalization in particular – is seen here to exert a pressure that erodes the pluralistic characteristics of existing institutions, by generating wealth inequality and simultaneously restricting access to political power – a key feature of inclusive political institutions. If the arguments presented by Acemoglu & Robinson are valid, and inclusive economic and political institutions are necessary for sustained economic growth and prosperity, then the long-term effects of globalization may threaten to undermine the institutional conditions necessary for development. This can be illustrated more clearly by following the current trends to their extreme end points. If globalization exerts a pressure that make political institutions more inaccessible and less pluralistic, they will eventually cease to function as inclusive institutions. When political institutions cease to be inclusive – and instead become extractive – the equilibrium of the virtuous, self-reinforcing circle of inclusive institutions will be disrupted. What happens in the event that emerging, extractive political institutions interface with existing, inclusive economic institutions? It is difficult to answer this question with any degree of confidence. It is possible that the extractive nature of political institutions would corrode existing economic institutions so that they increasingly benefit the extractive elite. On the other hand, it is possible that the economic dynamism provided by existing inclusive institutions would exert pressure that extractive political institutions would be unable to overcome. What is certain, is that the outcome is a serious concern for anyone relying on inclusive institutions for their economic and political empowerment.⁹⁴

8.4. The dynamics of social and economic globalization

The final and perhaps most intriguing trend that emerged from the results is the apparent contradictory effects of economic and social globalization, and their impact on equality of opportunity. On the one hand, economic globalization – both globally and within the TDID sample – is seen to decidedly reduce equal access across the board. Where statistically significant correlations emerge, they are negative. On the other hand, social globalization has the opposite effect within the global sample. Equal access increases globally as social

⁹⁴ Acemoglu & Robinson 2013: 82-83

globalization increases. This reveals a dynamic within globalization that pushes and pulls in two directions simultaneously.

The theoretical framework presented in this thesis addresses primarily the causal relationship between economic globalization and local levels inequality, as this is the dimension most often debated and contested. As discussed in chapter 2, one of the key mechanisms which drives unequal outcomes – outcomes that in turn restrict access – is the relative mobility of capital compared to labour. Mobile capital can better take advantage of market harmonization and globalization than static labour, and this dynamic is reflected in the results indicating that economic globalization increasingly restricts access. However, the dimension of globalization that captures flows of information and people indicate that this dimension leads to more equal access to health, justice and education, as well as impacting the profile of public spending, shifting it away from particularistic profiles towards public goods.

This raises the question – how is social globalization understood to have this effect? To better understand this relationship, this thesis explores two mechanisms that may provide some insight into this dynamic.

First, increased flows of information captured by social globalization enables states and individuals to learn from the experience and expertise of others more readily, and to more easily integrate innovations that benefit all sections of society. The dissemination of information is also likely to be significantly more decentralized – and therefore difficult to control – than flows of capital and physical goods. This decentralized characteristic of information flows may also exert pressure on economic and social elites, as increased access to information enable larger sections of society to form opinions that ensure, or at least incentivise, state investments into public goods.

Second, increased flows of people exert pressure that is the inverse of economic globalization. Where economic globalization essentially captures the mobility of capital, social globalization captures the mobility of labour. As flows of people become less restricted by international barriers, they are also increasingly able to pursue more economic opportunities that are increasingly less defined by geographic distance or national borders. The ability of people to pursue economic opportunities elsewhere creates a powerful incentive that encourages states to compete for human capital, and to prevent brain-drain to states that provide more and better economic opportunities. If economic and political elites continue to arrange institutions so that they increasingly favour the elite, what incentive is

there to remain for other sections of society? This does not necessarily translate to more political influence directly – rather, it creates a powerful incentive for elites to invest and provide public goods to broader sections of society, as failure to do so will increasingly disadvantage them in a competitive, globalized environment.

If the institutions and legal framework that regulate economic and social globalization were arranged so that labour enjoyed a comparative advantage over capital in terms of mobility, then it is likely that current trends would reverse. That is not to say that this would be a good idea overall – imposing such restrictions would likely have massive impacts on growth as effective investments would be hampered or prevented. There are also challenges related to mass movements of people and migration, as domestic populations may be unwilling to accept large numbers of migrants. However, this illustrates how the dynamics of social and economic globalization interact in the current iteration of globalization, and it stresses the notion that these are factors which can be influenced by policy or institutional reforms. The question of how to best address this challenge in practice falls outside the scope of this thesis – but the findings and mechanisms explored here may inform such policy debates moving into the future.

It is important to stress that theoretical links explored here are tentative first steps toward achieving a fuller understanding of how globalization influences equality of opportunity. It should not be read as a comprehensive or conclusive map of the mechanisms that drive current trends, as there are many questions that remain unaddressed. Results from within the TDID sample diverge from global samples, how are these differences best explained? How substantive is the impact of informational globalization compared to mobility of labour? How can the causal mechanisms explored here be integrated into a more comprehensive theoretical framework? The results and the discussion of existing dynamics between social and economic globalization opens an avenue for further study and research, and it is the sincere hope of the author that these questions are explored further – both empirically and theoretically.

9. Summary and conclusions

The relationship between globalization and inequality is complex, as are the component concepts. Existing literature exploring the topic finds what appears to be a contradiction – globalization is a driving force behind more and less inequality simultaneously. This apparent contradiction is unravelled by closer inspection, which shows that the characteristics of inequality generated- and alleviated by globalization are indeed very different. Global wealth inequality has been reduced considerably as a result of the dynamism provided by the harmonization of global markets, and the economic opportunities made available to countries like India and China have lifted millions out of poverty.⁹⁵ As global poverty has decreased, at least in part, due to economic globalization, the disparity in wealth and income within countries have become increasingly exacerbated. Critics of globalization point to this trend as being directly responsible for contemporary social ills and maladies, such as decline in living standards, life expectancy and the fundamental ability of states to respond to democratic desires from within.⁹⁶

The goal of this thesis has been to add a new dimension to this ongoing debate, by investigating a dimension of inequality that informs our moral assessments of the wealth inequality globalization is seen to exaggerate. Equality of opportunity provides the theoretical foundation to this end. If globalization is seen to reduce barriers that prevent equal opportunities within countries, then the increased inequality in outcome may be less dire than critics claim.⁹⁷ However, the justification of current trends become increasingly difficult if globalization is seen to also produce more inequality of opportunity, alongside exaggerated outcome inequality as is currently observed.

To address this topic empirically, the thesis relies on indices provided by the Varieties of Democracy (V-Dem) Research Project in its most recently published (version 12) to measure various aspects of equality of opportunity. Alternate models using different proxies for equality of opportunity provide results that are less susceptible to bias introduced by indicator selection – a challenge that is prominent within the field of inequality research, and that has been identified as one of the primary reasons for diverging results in the empirical literature.⁹⁸ To measure globalization and its subdimensions, this thesis employs

⁹⁵ Potrafke 2015; Milanovic 2016; Milanovic & Roemer 2016

⁹⁶ Atkinson 2015; Rodrik 2011; Whitehead et. al. 2016; Case & Deaton 2020; Piketty 2015

⁹⁷ Hirschman & Rothschild 1973; Vadhawanatti & De Soysa 2021

⁹⁸ Mills 2009

measurements provided by the KOF Globalization Index, published and maintained by the Swiss Federal Institute of Technology. The KOF Globalization Index is a composite index which measures globalization for most countries in the world and provides indicators that makes it possible to disentangle and investigate different aspect of globalization, and their separate impact on equality of opportunity.

The results provided by regression models using the global sample of 169 countries indicate that the social dimension of globalization – the dimension capturing flows of people and information - is the only dimension observed to increase access to any of the selected indicators measuring equality of opportunity. The political and economic dimensions, and indeed globalization overall, correlate negatively in those cases where results are statistically significant. Economic globalization is seen to have similar effects within the smaller sample of traditionally industrialized democracies (TDID-sample). However, the most substantial impact of globalization observed within the smaller sample is the observed effect on access to healthcare. Social, political and economic globalization all correlate negatively with access to healthcare, and the most substantial negative correlation is that between globalization overall and access to healthcare.

These results have immediate implications that relate to several ongoing conversations about the merits and challenges attributed to globalization. The first, and perhaps most pressing of these ongoing conversations, focus on health outcomes of specific demographics negatively impacted by globalization. The results showing what impact globalization has on access to health within TDID countries relate directly to these conversations. Models exploring the relationship between globalization and equal opportunity within TDID countries indicate clearly that as economic globalization increases, access to opportunities also become more unequal. Additionally, access to healthcare is impacted not only by economic globalization, but by all dimension of globalization simultaneously. These two trends threaten to exacerbate the conditions that have prompted poor health outcomes in certain demographics. The most extreme examples of these poor health outcomes are described by Case & Deaton as deaths of despair, a phenomenon observed especially among the blue-collar working class in the United States – the ostensible losers of globalization.⁹⁹ When globalization drives circumstances to increasingly dictate inequitable outcomes, and individuals no longer have a sense that they are able to control these outcomes due to external circumstances, the end

⁹⁹ Case & Deaton 2020

result will be poor health outcomes for the disenfranchised groups. This trend is exacerbated by the increasingly restrictive access to health-services needed to manage stress, anxiety and other factors that lead to substance and alcohol abuse, or suicide.

The thesis also explores some of the broader implications borne out from presented results. An exploration of the dynamics between social- and economic globalization reveal potential mechanisms driven by the relative mobility of labour and capital. The effects of globalization are discussed within the framework of democratic backsliding, and may provide important context to current political climates in Western Europe and North America. The challenges introduced by increasingly unequal outcomes and opportunities within countries, driven by economic globalization, may provide opportunities for non-democratic political actors embracing nativist platforms to win political office, and undermine democracy from within.

Finally, the impact of globalization on access to political power also has broader implications on the fundamental characteristics of political institutions. Namely, access to political power captures a critical component of pluralistic political institutions – institutions that according to the institutional perspective put forward by Acemoglu & Robinson serves a key function necessary to maintain sustained economic growth.¹⁰⁰ By undermining the inclusive characteristics of political institution, economic globalization may be exerting a corrosive pressure that, over time, will shift political institutions toward exclusive – or extractive – characteristics.

In conclusion, the case as presented in this thesis does not prescribe solutions to the challenges of globalization. In fact, the question of how to best proceed remains intentionally unaddressed – despite its importance. Instead, this thesis makes an attempt to better understand the effects of globalization; to add a new dimension to the ongoing conversations concerning globalization, inequality, their relationship and their effects. The staunchest critics prescribe radical reform and outright rejection of the neo-liberal paradigm, while supporters take a much more modest approach, arguing that throwing the baby out with the bathwater will harm everyone in the short- and long term.¹⁰¹ By shedding light on the unintended consequences of globalization and interrogating its effects with what tools we have available, our decisions moving forward can be made with more confidence – whatever course is ultimately taken. Hopefully, this will enable us – citizens, policymakers and educators alike –

¹⁰⁰ Acemoglu & Robinson 2013

¹⁰¹ Schrecker & Bamba 2015

to arrive at the solutions necessary to enjoy the full benefits of globalization whilst also staving off the ill-effects that threaten to undermine a just society.

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Appendix

A.1 Particularistic or public goods (v2dlencmps) question and responses

Question: Considering the profile of social and infrastructural spending in the national budget, how "particularistic" or "public goods" are most expenditures?

- 0: Almost all of the social and infrastructure expenditures are particularistic.
- 1: Most social and infrastructure expenditures are particularistic, but a significant portion (e.g. 1/4 or 1/3) is public-goods.
- 2: Social and infrastructure expenditures are evenly divided between particularistic and public goods programs.
- 3: Most social and infrastructure expenditures are public-goods but a significant portion (e.g., 1/4 or 1/3) is particularistic.
- 4: Almost all social and infrastructure expenditures are public-goods in character. Only a small portion is particularistic.

A.2 Access to justice for men (v2clacjstm) / women (v2clacjstw) question and responses

Question: Do men/women enjoy secure and effective access to justice

- 0: Secure and effective access to justice for men/women is non-existent.
- 1: Secure and effective access to justice for men/women is usually not established or widely respected.
- 2: Secure and effective access to justice for men/women is inconsistently observed. Minor problems characterize most cases or occur rather unevenly across different parts of the country.
- 3: Secure and effective access to justice for men/women is usually observed.
- 4: Secure and effective access to justice for men/women is almost always observed.

A.3 Access to education and educational equality question and responses

Question: To what extent is high quality basic education guaranteed to all, sufficient to enable them to exercise their basic rights as adult citizens?

0: Extreme. Provision of high quality basic education is extremely unequal and at least 75 percent (%) of children receive such low-quality education that undermines their ability to exercise their basic rights as adult citizens.

1: Unequal. Provision of high quality basic education is extremely unequal and at least 25 percent (%) of children receive such low-quality education that undermines their ability to exercise their basic rights as adult citizens.

2: Somewhat equal. Basic education is relatively equal in quality but ten to 25 percent (%) of children receive such low-quality education that undermines their ability to exercise their basic rights as adult citizens.

3: Relatively equal. Basic education is overall equal in quality but five to ten percent (%) of children receive such low-quality education that probably undermines their ability to exercise their basic rights as adult citizens.

4: Equal. Basic education is equal in quality and less than five percent (%) of children receive such low-quality education that probably undermines their ability to exercise their basic rights as adult citizens.

A.4 Access to healthcare and health equality question and responses

Question: To what extent is high quality basic healthcare guaranteed to all, sufficient to enable them to exercise their basic political rights as adult citizens?

0: Extreme. Because of poor-quality healthcare, at least 75 percent (%) of citizens' ability to exercise their political rights as adult citizens is undermined.

1: Unequal. Because of poor-quality healthcare, at least 25 percent (%) of citizens' ability to exercise their political rights as adult citizens is undermined.

2: Somewhat equal. Because of poor-quality healthcare, ten to 25 percent (%) of citizens' ability to exercise their political rights as adult citizens is undermined.

3: Relatively equal. Basic health care is overall equal in quality but because of poor-quality healthcare, five to ten percent (%) of citizens' ability to exercise their political rights as adult citizens is undermined.

4: Equal. Basic health care is equal in quality and less than five percent (%) of citizens cannot exercise their basic political rights as adult citizens

A.5 Traditionally developed industrial democracies

United States
United Kingdom
France
Germany
Belgium
Netherlands
Austria
Ireland
Switzerland
Italy
Greece
Spain

Canada
Portugal
Luxembourg
Iceland
Lichtenstein
Monaco Norway
Denmark
Sweden
Finland
Japan
Australia
New Zealand

A.6 KOF Globalisation Index – Structure and overview

Structure of the KOF Globalisation Index

Globalisation Index, de facto	Weights	Globalisation Index, de jure	Weights
Economic Globalisation, de facto	33.3	Economic Globalisation, de jure	33.3
Trade Globalisation, de facto	50.0	Trade Globalisation, de jure	50.0
Trade in goods	38.8	Trade regulations	26.8
Trade in services	44.7	Trade taxes	24.4
Trade partner diversity	16.5	Tariffs	25.6
		Trade agreements	23.2
Financial Globalisation, de facto	50.0	Financial Globalisation, de jure	50.0
Foreign direct investment	26.7	Investment restrictions	33.3
Portfolio investment	16.5	Capital account openness	38.5
International debt	27.6	International Investment Agreements	28.2
International reserves	2.1		
International income payments	27.1		
Social Globalisation, de facto	33.3	Social Globalisation, de jure	33.3
Interpersonal Globalisation, de facto	33.3	Interpersonal Globalisation, de jure	33.3
International voice traffic	20.8	Telephone subscriptions	39.9
Transfers	21.9	Freedom to visit	32.7
International tourism	21.0	International airports	27.4
International students	19.1		
Migration	17.2		
Informational Globalisation, de facto	33.3	Informational Globalisation, de jure	33.3
Used internet bandwidth	37.2	Television access	36.8
International patents	28.3	Internet access	42.6
High technology exports	34.5	Press freedom	20.6
Cultural Globalisation, de facto	33.3	Cultural Globalisation, de jure	33.3
Trade in cultural goods	28.1	Gender parity	24.7
Trade in personal services	24.6	Human capital	41.4
International trademarks	9.7	Civil liberties	33.9
McDonald's restaurant	21.6		
IKEA stores	16.0		
Political Globalisation, de facto	33.3	Political Globalisation, de jure	33.3
Embassies	36.5	International organisations	36.2
UN peace keeping missions	25.7	International treaties	33.4
International NGOs	37.8	Treaty partner diversity	30.4

Weights in percent for the year 2016. Weights for the individual variables are time variant. Overall indices for each aggregation level are calculated by the average of the respective de facto and de jure indices

