Opinion piece

# The complex interplay between inequality and attitudes about globalization

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It is often assumed that there is a strong link between inequality and attitudes to globalization, i.e., scepticism or openness to globalization. After all, trade and other forms of globalization have significant distributional effects, which suggests that those who are negatively affected are likely to be much more sceptical about globalization than those on the "winning" side.

Indeed, some of the biggest differences in views about globalization are related to inequalities in education and to regional economic inequality. Well-educated people, who tend to benefit the most from globalization, usually hold more positive views about it than people with lower levels of education (Menéndez González, Owen and Walter, 2023). And backlashes against globalization tend to be strongest in regions that have been negatively affected by economic shocks (such as trade or automation shocks). Support for populist and nationalist policies, parties and politicians tends to be higher in those regions (e.g., Colantone and Stanig, 2018; Milner, 2021).

Despite these trends, the relationship between inequality and globalization backlashes is less straightforward than it may initially appear.

First, popular backlash against political and socio-cultural globalization is often stronger than the backlash against economic globalization (Margalit, 2012). Many populist right-wing parties, for example, support free trade, but oppose international organizations, immigration and international rules that facilitate free trade but appear to constrain national sovereignty.

Second, although political actors opposed to globalization have become more vocal and powerful, there is little evidence that the public overall has become significantly more sceptical about economic globalization (Walter, 2021). Rather, savvy political actors have given globalization sceptics a much louder voice than they used to have in the past, so that globalization-related issues play a much more important role in domestic politics today than twenty years ago. Today, political competition is increasingly dominated by non-economic issues, such as national sovereignty, the environment, or immigration, that do not line up neatly on the traditional left-right political axis.

Third, the most vocal critics of globalization are usually not those individuals who have been hit hardest by globalization, but those who are worried about their economic and societal status going forward (Kurer, 2020). Such status anxiety is often caused by broad societal and economic transformations, including – but not limited to – transformations caused by globalization.

One of these structural changes is a decline in cross-country inequality. Several developing economies have been catching up with developed economies, and this is becoming increasingly visible to ordinary people in the developed economies, as these developing economies have started to export products that are globally competitive in areas that used to be the key comparative advantage of developed economies. These developing economies possess high-quality infrastructures that may be equal to, and sometimes better than, those of many Western countries. By hosting major sports events, like the Fédération Internationale de Football Association (FIFA) World Cup or the Olympics, these advances have become visible to the wider global public.

In these "rising" economies, many people see the current era – and globalization more generally – as an opportunity. These economies have also become more assertive at the international level, and are demanding more influence, to better reflect their growing economic weight and their priorities. In developed economies, however, these developments can amplify status anxiety, thereby providing both fodder for globalization-sceptical political actors and more negative views about globalization.

All of this suggests that, rather than shaping the views and the debate about globalization directly, the effects of inequality on people's perceptions of globalization are conditioned by the economic, societal and political context in which they play out.

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