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Note from the editor

# Inequality and wealth in Latin America

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For many analysts, Latin America has long stood out as one of the most unequal regions in the world.[1] However, according to Juan Gabriel Palma, in recent decades this characteristic is less a hangover from the past than the destiny to which many developed countries seem to be heading. In his words, "as far as inequality is concerned (and not just inequality!), now it is the highly unequal middle-income countries that show the more advanced ones 'the image of their own future'" (Palma 2016, 7). Like most economists, Palma focuses on income and compares the share received by the top 10% in relation to the bottom 40% of the distribution and observes a "reverse catching-up" of the global North. While the progress made by Latin America at the dawn of the 21st century (Amarante 2016) is inverted and relativized, the region seems to announce that the deterioration of equality has permanent effects and the improvements have more transitory consequences.

Though the increase in poverty is manifest to any attentive observer, the mechanisms that deepen and reproduce inequalities are less evident. With the weakening of the stratification theories, both the public debate and the specialized literature have tended to lose their relational character and concentrate almost exclusively on one of the poles of the social pyramid (Filgueira 2001). There are countless books on the poorest. These have been lately joined by analyses of the declassed or impoverished. Meantime, very little has been said about the richest. Only recently has the specialized literature begun to link the growth of poverty and social precariousness with a notable concentration of private wealth (Piketty 2014; Milanovic 2020; Savage 2021). After decades of oblivion, wealth and its elites have returned to the social science research agenda. If, as Charles Tilly (1998) argues, the main concern on the subject should be centered on "durable inequalities," Latin America offers a promising field to address the relationship between inequality and wealth.

However, there are specific reasons that explain why Latin-

American wealthy have received little attention. Social research in the South tends to reflect the priorities of Northern academia, governments, or international organizations that have propagated a way of understanding inequalities and efforts for promoting social justice which – until the arrival of Oxfam – privileged an exclusive emphasis on the poor and assistance policies. As Cárdenas (2020) documents, concern for elites has tended to focus on political leadership, development, and democracy with less consideration toward social inequalities and wealth. This preference is also a response to specific theoretical and methodological difficulties. Latin American social sciences (Cardoso and Faletto 1967; Gunder 1965) early underlined that the social structure of the region could not be limited to its territories. While many countries in Latin America export their natural resources—exports that do little in terms of job creation—, they import manufactured goods that mobilize and reward foreign labor. At the same time, a large part of the main natural resources, private companies, and financial capital involved in the production of wealth are not (and never have been) in local hands. Well before the last globalization that expanded the phenomenon of the homeless rich (Advani et al. 2022), the territoriality of Latin America's upper classes was problematic. More recently, it was also recognized that a considerable portion of local wealth is not registered. It is not necessary to look to the extreme of drug dealing and its elites to conclude that an important part of the economic activities carried out are not declared (Beckert and Dewey 2017). These particularities have methodological derivations. Most authors who study wealth emphasize the limits of the available data. Yet, when attempts are made to copy the strategies used to analyze capital in Northern countries, they turn out to be even more deficient, with flawed economic, tax, and statistical records.

Against this background, economic sociology has been part of a renewal of studies on inequality, with greater attention paid to wealth. A fertile ground for exchange between different disciplines and methodologies has emerged. After the impulse of economics, it became clear that social inequalities could not be circumscribed to the magnitude of income and possessions, nor were statistical strategies the only ones capable of illuminating the meanings, causes, and consequences of the growing distance between richest and poorest. In Latin America, this new interest revitalized long traditions in the study of the social implications of extractivism, the configuration of local economic groups, clientelistic networks, and urban and social segregation.

Since then, two approaches have consolidated. On the one hand, the analysis of inequalities and wealth complemented those already developed for the study of poverty. Attention to the poor was replaced with interest in the rich, the detail of deprivation was substituted by the exposure of extreme affluence, the concern for survival was displaced by the analysis of the anxiety characterizing contemporary elites. With essential references concerning the global North (Kahn 2011; Pinçon and Pinçon-Charlot 1998; Savage and Hjellbrekke 2021; Sherman 2017), analyses along these lines are also being developed for Latin America (North and Clark 2018; Fernández Pérez and Lluch 2015; Salas-Porras 2012). On the other, focusing on the mechanisms that favor the concentration and reproduction of advantages and deprivations, more relational analyses developed, attentive to the connection between the poles and the gradients existing between them (Davis and Williams 2017; Hoang 2022; Beckert 2022). By focusing on the situated significance of wealth, these studies emphasize less the contrast than the configuration of disparities according to specific institutional arrangements.

It is precisely this relational effort that is shared by the articles in this dossier. It could be said that the authors share a phrase of Antonio Porchia (2007, 48): "He who holds me by a thread is not strong; what is strong is the thread."

First, in contrast to the more usual statistical approaches, Elisa Reis, André Vieira, and Félix López argue that it is necessary to differentiate at least three types of inequalities: vital, existential, and resource inequalities. With these tools, they document the situation in Latin America (and particularly in Brazil) in comparative perspective. Contrary to certain dis-

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courses that celebrated the reduction of inequalities in the region, they show that even in a context of economic prosperity and political stability, progress in terms of equality has been modest. Beyond the reduction of the Gini income index in Brazil, multimillionaires have multiplied and there has been a growing concentration of wealth. The authors relate this phenomenon less to deprivation than to the erosion of social cohesion. The persistence of socioeconomic inequality corresponds both to the segregation of social groups and to interpersonal and institutional distrust.

In a complementary approach and taking the case of Peru as a starting point, Germán Alarco returns to the methodological challenges posed by the study of wealth and inequality in the region. With a complete and critical map of available statistical resources, he concludes that they all have shortcomings that underestimate disparities. Focusing on the rich in Latin America, the author shows that they reproduce what has occurred globally: their number has been increasing and they tend to concentrate in the largest and most prosperous economies. As at the global level, the pandemic aggravated inequality, which has failed to recover after 2021. Although it is a global trend, the author stresses that the concentration of wealth in Latin America requires a local perspective that considers recent political changes, the differential impact of technologies, and the insertion in international trade.

Precisely because the understanding of the production and distribution of wealth refers to the varieties of capitalism, Alejandro Gaggero is interested in the role of families. While the corporate literature inspired by Anglo-Saxon countries and, to a lesser extent, Europe emphasizes the rise of shareholders and professionals, the author is interested in the Argentine case to demonstrate that close relatives are crucial for good business in Latin America. Based on the study of three families, he shows how families contribute to the seizure of extraordinary opportunities, the mobilization of political contacts, the diversification of assets, and the avoidance of corporate and tax liabilities. Although strong ties are decisive, they are not infallible. In highly unstable contexts, they are not enough to guarantee that prosperous families can reproduce themselves in the highest positions.

Although in many countries it has been insistently denied or referred to only with euphemisms, there is a fundamental element that accompanies the access of Latin American elites to the main economic and political resources: race. Contrasting the case of Mexico with that of the United States, Hugo Cerón-Anaya argues that racial bias has particularities in Latin America. It is not only that a predominantly white minority imposes itself over majorities of diverse ethnic-racial origin, but also that the observations of the analyst – who verifies the overlap between socioeconomic and racial categories – are confronted with the discourses of authorities, intellectuals, and protagonists who deny these convergences. In nations that base their identity on miscegenation, it is aggrieving to recognize that most of the members of an elite golf club are white as opposed to mostly brown caddies and, more generally, that the aesthetics and practices of white families are still considered the measure of correctness. Racial tolerance and a certain fluidity in the social mobility of Latin Americans rests, the author claims, on "a modern spirit of racial capitalism [that] allows everybody to 'whiten' themselves via consumption practices and wealth accumulation."

Ana Ramos-Zayas' contribution also highlights the experience of social inequalities in Latin American everyday life. The obsession of the parents she describes with their children's education could be compared to the race for excellence described by Bourdieu for France in the 1970s. However, the author demonstrates that it is not the awareness of a competitive professional market that preoccupies wealthy families in Brazil and Puerto Rico. As state schools are discarded as an option for the children of Latin American elites – state provision is associated with provision for the poor – families favor a controlled openness of their relationships. Members of a cosmopolitan and liberal community, they feel progressive, anti-imperialist, socially sensitive, and proud of their culture and native languages. Nevertheless, they discreetly manifest racial preferences, cultivate select friendships, and justify their own worth through a spiritual culture of self-actualization. Tension between the local and the global, sensitivity and indolence, the cult of diversity and fearful withdrawal characterize this "moral economy of privilege."

Finally, Sarai Miranda's contribution shows an extreme example of coexistence in inequality: the children who are part of the domestic staff in Chiapas (Mexico) and who serve other children of the same age. Without records to quantify it and allow for precise magnitudes, domestic service is one of the clearest expressions of social inequalities in Latin America that is also returning to the central countries as France (Carbonnier and Morel 2018). Due to the lack of state services and the low cost of labor, domestic service is common not only in the wealthiest but also in many middle-class households. Although many studies have already highlighted this intimate coexistence between people with such diverse backgrounds and social destinies, Sarai approaches them from a novel angle: the interpretation that wealthy children offer of their young servants. In the words of children aged 8 to 12, the author records both the affectionate names they use and the way they construct their otherness: parental prohibition of activities together, suspicion in the face of a latent threat, dislike of other ways of dressing and smelling, reduction to the roles they play in the household.

The children of Chiapas are one of the many expressions of that long daily learning of social inequalities in Latin America. A learning made of invisibilization, of discomfort, and finally of generalized resignation in the face of the ineluctable reproduction of social fracture.

The analysis of inequalities and wealth is one of the most vibrant domains of economic sociology today, prompting a new interdisciplinary global dialogue. For that reason, this special issue closes with the presentation of four international teams currently engaged in approaching the topic from different angles: the World Inequality Lab, founded by Thomas Piketty's group, the World Elite Data Base Project directed by Mike Savage, the Calas Laboratory of Knowledge connecting scholars from Germany and Latin-America and the Wealth and Social Inequality research team headed by Jens Beckert.

# Endnote

1 The statement is a commonplace, although according to Gasparini et al. (2018) it is necessary to introduce two nuances. In Latin America, inequality in income distribution tends to be calculated, while in the rest of the developing countries inequality in consumption expenditures is estimated. When adjusting these calculations, the differences are less pronounced. At the same time, there is no reliable information on sub-Saharan Africa. Some indications suggest that disparities are even more pronounced in that region.

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