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## **New Forms of Inequality and the Structures of Glam-Capitalism\***

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### **ABSTRACT**

*The long history of capitalism can be interpreted as an evolution driven by permanently mutating socioeconomic structures. The article is devoted to new forms of inequality that emerged during the postindustrial phase of the capitalism evolution and increase the structural complexity of contemporary societies. The spatial configuration of inequality transforms while globalization has resulted not in the 'world society' but rather in a transnational network of the globality enclaves: the largest cities connected by the flows of material, symbolic, and human resources. Compared to their countries as a whole, the metropolitan areas have no boundaries and are more successful with respect to economic growth although they are most unequal in terms of the Gini coefficient. The 'onion-like' stratification with dominant middle strata is substituted with the 'pear-like' bimodal stratification. This new stratification results from the rise of the glam-capitalism. The glamour is transformed from an extravagant aesthetics into a new rationality of postindustrial capitalism. Now the value creation is more related to trends than to brands or products. The owners of trends and creators of trendy goods/services compose new status groups: glam-capitalists and glam-professionals who dominate over the shrinking middle class. The flows of people, money, goods, and information are structuring the social life under the glam-capitalism and involvement in these flows becomes a factor of social differentiation. The flow-structures make inequality temporal. Rising social significance of access to trendy goods creates new configuration of inequality as traditional quantitative gap between 'having more' and 'having less' is combined with the temporal lag between 'having now' and 'having later'.*

Social Evolution & History, Vol. 15 No. 2, September 2016 25–49

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## INTRODUCTION

Inequality is a subject of intense debate among sociologists but in recent decades it has become the key topic present in the titles of abundant books, articles, and conferences, including the most prominent international meeting – the XVIII ISA World Congress of Sociology held in Yokohama in 2014. The current turn of sociology towards the issue of inequalities has at least two reasons.

The first reason lies in the sociological community's awareness of the increasing economic inequality as well as social discrimination and exclusion. By the mid-twentieth century the decreasing inequality in industrially developed countries documented by Simon Kuznets (1955) provided empirical support for many concepts of the social development leading to a more egalitarian society. Meanwhile, Kuznets' hypothesis contradicts the evidence of the growing inequality in economically advanced countries described in recent studies (Piketty and Saez 2003; Atkinson and Piketty 2007) and popularized by Thomas Piketty (2014). Despite the difference between relatively high level of income inequality in Anglo-Saxon countries and low level in European countries and Japan, all countries with postindustrial economy share the tendency towards a more uneven distribution of income and wealth. From the new historical perspective which integrates Kuznets' and Piketty's views, the inequality fluctuations are cyclical and follow the shifts from preindustrial capitalism to industrial and then to postindustrial one. Postindustrial capitalism is characterized by the emergence of new forms of inequality which resemble in some aspects the preindustrial patterns of social differentiation. Sociologists adopt new historical perspective and relate the rising inequality to the general dynamics of contemporary capitalism. Michael Burawoy, the former President of the ISA, in his welcome address to the XVIII World Congress of Sociology in Yokohama denoted this approach toward inequality as a crucial issue for social studies and movements challenged by the dynamic capitalism (Burawoy 2015).

The second reason is sociological perception of inequality as a multi-faced or multi-dimensional phenomenon. While developing inequality theories, sociologists take into account not only economic differentiation but various means to distinguish and establish unequal access to material, human, and symbolic resources (Bourdieu 1979; Sen 1992; Tilly 1998; Therborn 2006). From the perspective of multi-dimensional inequality various social institutions,

groupings, patterns of interaction and solidarity, as well as conflicts can be interpreted and explained as the means to maintain or to eliminate different forms of inequality. Thus, inequality becomes a common denominator for various social phenomena.

Revealing multiple forms/dimensions of inequality, sociological theories, nevertheless, reduce them to a common view that 'inequalities are differences which we consider unjust' (Therborn 2006: 4). Yet, sociologists may consider all inequalities unjust while economists and management gurus justify some of them as productive and motivating, and the conservative intellectuals can justify some inequalities as natural. One can dispute subjective moral and political judgements but these controversies themselves specify the differences which are to be defined as inequalities. Inequalities are the differences which alienate people from each other.

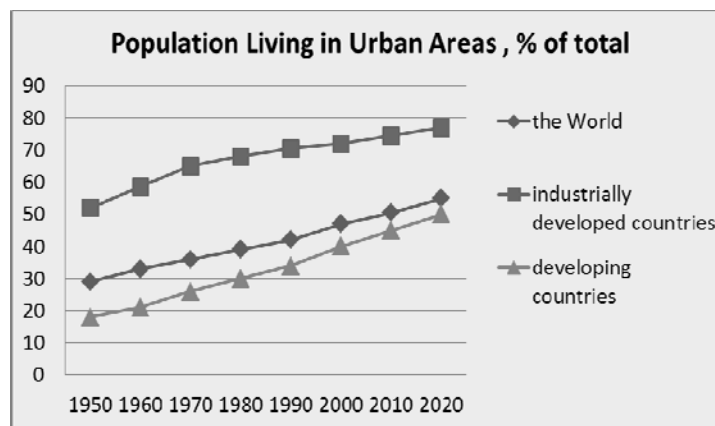
This article aims at contributing to the studies of relation between multi-dimensional inequality and recent dynamics of postindustrial capitalism. Here we define inequality as an unequal access to socially significant resources (material, human, and symbolic). Inequality contains structural patterns of differentiating that access. The long history of capitalism can be interpreted as an evolution driven by the permanently mutating socioeconomic structures. New forms of inequality emerging at the postindustrial phase of evolution of capitalism increase the structural complexity of contemporary societies and can become the drivers of the coming global reconfiguration (Grinin and Korotayev 2013). New patterns of inequality are characterized by the emerging spatial and temporal inequality structures related to the newest form of postindustrial socioeconomic order which I denote as glam-capitalism.

### **NEW SPATIAL STRUCTURES OF INEQUALITY**

Sociologists consider spatial aspects of social inequality mostly within the frameworks of the world-system theory and various theories of globalization. Unequal world is described in terms of GDP and living standard gap between the 'core' countries and countries of 'periphery' and 'semi-periphery' of global economy (Wallerstein 2004; Babones and Zhang 2008) or between two groups of nations identified as 'global North' and 'global South' (Arrighi 2001; Kacowicz 2007; Reuveny and Thompson 2008). However, together with globalization there emerges a different configuration of spatial inequality since socioeconomic differences do not coincide with national borders. Rather wealth and power control are concen-

trated in the network of super-urbanized areas playing the role of 'command centers' of transnational economy (Sassen 2005).

After 2010, the world has become super-urbanized with more than 50 per cent of the world population living in urban areas (United Nations 2014). In 1950, there were six cities with population exceeding 5 million; by 2010 this number had risen to 60 and by 2014 – to 71 (*Ibid.*). In the super-urbanized world (Fig. 1) inequality should be considered not only in terms of the gap between urban and rural territories but also with respect to the gap between super-urban areas and the rest of the world. The super-urbanized areas outperform national economies and therefore, generate a new dimension of inequality. According to the Brookings Institution data, the largest 300 cities contain only 19 per cent of the world's population but they generate 48 per cent of the world GDP (The Brookings Institution 2012). Another research conducted by McKinsey Global Institute has revealed that the top 600 cities by economic output concentrate 22 per cent of global population and provide more than 50 per cent of global GDP (McKinsey Global Institute 2011).



**Fig. 1. Towards the super-urbanized world**

*Source:* United Nations Department of Economic and Social Affairs.

The economic and social gap between the group of the largest cities and the rest of the world supports the idea that globalization has given rise not to the 'world society' or 'worldwide sociality' but rather to networked enclaves of globality. In such metropolitan areas as Los Angeles, New York, London, Tokyo, Hong Kong, Moscow, Seoul, and other megacities connected by crossing-borders material,

human, and symbolic flows people experience globality as borderless, mobile, and multicultural life. Therefore, ‘globalization’ means not a planetary distribution of social structures but rather a localized displacement of habitual social structures by intensive flows (Appadurai 1990; Lash and Urry 1994; Castells 2000); thus, we should revise the distinction between the ‘core’ and ‘periphery’ in the global socioeconomic order.

The spatial configuration of inequality in the super-urbanized world is characterized not only by concentration of wealth, power, and cultural dominance in the enclaves of globality. Compared to countries, the metropolitan areas outperform in economic growth and at the same time they are more heterogenous in terms of Gini index (Table 1).

*Table 1*

**National Gini vs Super-Urban Gini (Selected Countries and Cities)**

Country / City	Gini Index (Year of Estimation)
Russia	0.420 (2012)
Moscow	0.486 (2012)
St. Petersburg	0.443 (2012)
USA	0.469 (2010)
New York	0.499 (2010)
Los Angeles	0.489 (2010)
Japan	0.329 (2012)
Tokyo	0.375 (2011)
Osaka	0.400 (2011)

*Source:* Euromonitor International (<http://blog.euromonitor.com/2013/03/>), ‘Rosstat’ – Russian State Statistics Service (URL: <http://www.gks.ru>), U.S. Census Bureau (URL: [www.census.gov](http://www.census.gov)), Japan Statistics Bureau (<http://www.stat.go.jp>).

The combination of relatively high levels of both economic performance and income disparity evidences that the networked enclaves of globality represent ‘two faces’ of inequality defined as exclusion and unequal inclusion (Burawoy 2015). The inhabitants of small cities and rural areas find themselves under a disadvantage since they are excluded from the flows of resources circulating within the network of large cities. Nevertheless, people involved into such flows are disadvantaged either, since they turn to be workforce for the emerging form of capitalism originating in networked enclaves of globality.

**THE DYNAMICS OF CAPITALISM: FROM THE LOGIC OF VIRTUALIZATION TO THE LOGIC OF GLAMOUR**

By the end of the twentieth century postindustrial capitalism in networked super-urban areas had transformed into glam-capitalism sharply contradicting the traditional social reality (Ivanov 2008). The preconditions for the origin of the new form of capitalism had been created by virtualized social structures. Virtual reality is a good metaphor and an adequate model for the so-called 'new economy' which involves brands, network enterprises, financial derivatives, and consumer credits. Virtual reality is also an efficient tool to analyze politics based now rather on image-making and media than on traditional activities and organizations.

One can hardly reduce virtualization to the development of the Internet, the latter being just one of the aspects of recent socio-economic transformations. In general, virtualization is a substitution of physical reality with images simulating the properties of real objects. The economic institutions and whole society become a kind of virtual reality where people manipulate virtual objects (images) while institutional norms imply a real activity. By the end of the twentieth century the capitalist institutions had been virtualized since branding and public relations activities transferred competition from the domain of material production to the one of virtual reality where socially constructed 'specific qualities' of a product or company affect consumers and investors more than real things and actions. As a result, the basic components of contemporary economic system cease to be a familiar reality, while virtual products and organizations, as well as virtual money come into ever-broadening use.

Virtualization of consumer goods and commodities underlies the process of brand expansion. In the market oversaturated with similar products the branding is an effective tool to draw the consumers' attention which is the scarcest resource of economic advance. Brands created as images identified with a product or a company guide consumers at the marketplace and they also become proper consumption objects for the individuals who construct and maintain their social and cultural identity via buying and displaying brand name items. Thus, at the edge of the twentieth century the branding became a special professional field and a common technology of the virtual value creation.

By the late 1990s, markets had been saturated by brands, and intensive commodification of images led to overbranding and triviality of virtualization strategy. Overproduction of virtuality became obvious during the crises of 2000 and 2008 which revealed an exhaustion of the virtualization logic of 'new economy'. Now one needs a different logic for creating the competitive advantage. The competition among brand images is so intensive that in the struggle for the scarcest resource – attention of target groups, it becomes a rational strategy to make images brighter and lighter. The goods/services should be aggressively beautiful to be intensively attractive for the target audience. Such intensity can be maintained only for a relatively short period and thus, the value creation process is related more to trends now, than to brands, not only in traditional fashion industry and show business but also in high-tech and financial industries. With the shift of competitiveness from brands to trends, the 'new economy' shifts from the logic of virtualization to logic of glamour.

The glamour now is more than a lifestyle of 'blondes' and 'metrosexuals' schematized in the urban folklore or specific aesthetics realized in popular culture phenomena from Hollywood stars of the 1930s to glam rock of the 1970s. In the 2000s, marketing and management gurus considered it to be one of 'strategic cultural ideas' for revolutionizing branding (Grant 2006: 226–227). Defining glamour as an idea in the consumerism complex, experts recognize its power at consumer goods markets but they miss other economic realizations of logic of glamour. Financial analytics since the mid-1990s use the term 'glamour' to designate specific strategy of stock traders buying not worthy but rather trendy assets (Chan, Jegadeesh, and Lakonishok 1995; Conrad, Cooper, and Kaul 2003). Multifaceted glamour appearing in different economic activities and discourses could not be reduced to lifestyle of specific consumer group, pop-culture aesthetics, or consumerist ideology. The glamour is common logic of various value creation processes and therefore it can be defined as the rationality of current capitalism (Ivanov 2008). Being specific aesthetic form / life style since the 1930s, glamour has become now the rationality of the emerging version of capitalism.

As phenomena considered to be the glamour can vary from a lifestyle to stock exchange trading, some general theory of glamour is needed to conceptualize all of them. The general theory of glamour is summarized by a simple formula: *glamour* = 'Big Five' + 'Top Ten'.

As a lifestyle the glamour is commonly identified with luxury brands, exotic places, erotic looks, something pink, and somebody blond. This common truth about glamour is included in the general theory which however provides broader definitions of five components. The 'Big Five' is a 'matter' of glamour composed by such elements as follows:

- '*luxury*', that is recognized as an exclusive consumption beyond functionality of goods / services;
- '*exotics*', that is quotidian practices performed as events beyond ordinary life;
- '*erotic*', that is the pumping the extra-sexuality beyond natural human sexual life;
- '*pinkness*', that is not only specific color but radical visual solution of problem;
- '*blondness*', that is not only the hair color but generally managed look that can manage consciousness.

'Top Ten' is the form of the glamour existence. 'Top Ten' is not a number but an organizing principle. All top-lists, nominations, ratings, hit-parades and so on, make every included object actual and significant. The glamour is consolidated in structuring the world order of 100 most valuable brands, 500 most successful companies, 400 richest people, 1,000 great persons of the millennium, ten most beautiful beaches, five must-have things and so on. The world of glamour is created and structured by intensive communications turning subjectively composed 'top tens' into objectified media reality.

The world of 'Big Five' and 'Top Ten' is constructed and expanded not just by visibly glamorous pop culture stars and consumers who tend to be 'blondes' and 'metrosexuals'. Their practices of managed looks managing consciousness is only the most visible example of making the bright and light images valuable. The leading entrepreneurs and professionals of the 'new economy' use the same 'Big Five' and 'Top Ten' as resource and technology and therefore make the glamour to be a kind of capital. They contribute to the development and expansion of new mode of production – glam-capitalism. Alongside with the 'new economy' a 'new politics' arises where the glamour is converted into political capital by candidates who construct their images in MTV-style. Replacing traditional political charisma by the image of cool, exotic, sexy and looking-younger leader, new campaign drivers like 'Obama girls'



performances, political blog 'Glamocracy', and Paris Hilton's intervention into the candidates' debate contribute into development of the glam-democracy.

Even intellectual capital can be accumulated through the glamour. The glam-science is intensively developed by gurus of management and marketing who makes the 'Big Five' the main subject-matter of research and uses the 'Top Ten' as a method. The logic of glamour penetrates practically all domains of society. In the period between the 1990s and 2000s the glamour became the life-world for many businessmen, managers, politicians, scientists, artists developing their products and projects to enter top-lists generated by the 'Forbes' and other creators of 'Top Ten' structures.

Terms like 'glamour', 'Big Five', and 'Top Ten' could seem to be too extravagant for scientific analysis. But it should be noted that is not a problem for the science in general. It is normal for physicists to operate with elementary particles defined by 'color', 'charm' and 'beauty' (Poole 1998: 395–398). And it is the glamour and its elements that can explain logically some tendencies and paradoxes of the postindustrial capitalism.

### **GLAM INDUSTRIES**

It is not only the high-tech goods production that has constituted the leading industries of recent two decades. With the shift from logic of virtualization to logic of glamour, the components of glamour as an esthetic form or life style – luxury, erotic, exotics, 'pinkness', and 'blondness', become new drivers of the production and consumption growth. Glamour-intensive production of trends driven by the 'Big Five' provides extraordinary growth rates even in the times of crisis. During the recent 15 years these glam-industries grew up twice faster than the global economy as a whole. Industries which produce the 'Big Five' become leaders alongside with high-tech industries. The success of the high-tech is explained traditionally by the implementation of scientific knowledge, but the success of luxury, hospitality, adult entertainment, and beauty industries is a puzzle for that knowledge-based economy paradigm. The logic of glamour can be common explanandum for glam-industries producing the 'Big Five' and for high-tech industries which tend to adopt logic of glamour in production of life-style electronics.

The luxury industry manufactures exclusive consumption attributes using various functional things from watches and underwear to cars and yachts as 'containers' or 'platforms' to carry the

luxury ‘substance’. The term ‘luxury industry’ sounds as an oxymoron since traditionally there was a gap between craftsmen making exclusive things for a small number of rich clients and mass production of ordinary goods for the middle-strata consumers. But in recent decades the logic of exclusive authentic luxury and logic of mass market have been combined and previously restricted market has expanded dramatically. Now it is developed by growing number of professionals and organizations concentrated on creating opportunities for extraordinary consumption for millions of people. By 2000 the global market of luxury was estimated at US\$ 70 billion and in 2005 at US\$ 130 billion. That means the average annual growth rate was about 14 per cent. In 2009 the global economic crisis affected luxury sales but the industry's top players lost quite little: LVMH reported a 0.8-percent decrease in sales, Richemont – 4.5 per cent, Burberry – 1.4 per cent. Yet, some companies even continued to grow: Gucci Group reported 0.3 percent increase, Hermès – 8.4 per cent. In 2010 and 2011 luxury industry returned to double-digit growth rates which exceed the world economic growth rates (4–5 per cent), those of the USA (2–3 per cent), and even China (8–9 per cent). Between 2010 and 2014 global luxury market outperformed all national economies, growing annually by 9 per cent in average.

Such impressive expansion is commonly explained by the fact that the luxury industry expands to emerging Asian markets. But actually the growth is determined by the expansion across institutional and strata boundaries. The luxury industry is a *trans-industry* because its organizational structures cross the conventional borders of different industries. The trans-industry consists of units manufacturing very different things but producing the same goods. For example, producers of cars, mobile phones, and leather bags become units of the same trans-industry, like for example, Porsche, Vertu, and Louis Vuitton, which use different raw materials, technologies, and staff skills but common methods to imbed luxury into glamour-intensive products. Spreading luxury from classics as jewelry, haute-couture clothes, and sport cars towards endless range of goods produced ordinarily but branded and priced extraordinarily, the trans-industry crosses the boundaries of middle and lower strata which thus become emerging markets for less authentic but more glamorous luxury.

The *hospitality industry* also is a trans-industry which integrates tourist agencies, restaurants, clubs, hotels, and other enter-

prises which produce glamorous exotics as air-conditioned adventures. Since people constructing their world of glamour are interested in extraordinary form of quotidian practices the exotics for them can be provided in any place. It is not necessary to go abroad in search for the experience of natural but rare landscapes and cultures. The expansion of the hospitality industry is driven by 'thematic' hotels, restaurants, clubs, and parks which provide different services but create value in the same way: imbedding glamorous exotics in the interior design, food, entertainment programs and so on. Creating accessible and comfortable destinations for those seeking the glamorous exotics, the hospitality industry generates globally more than US\$ 3 trillion of revenues and provides about 20 per cent of jobs in contemporary world.

In recent decades the *sex industry* has become much broader than traditional sex-for-money market and now it lays claims to being an 'adult entertainment industry' selling sexual experience integrated into everyday life. Yet, the majority of the industry customers need not sex itself but rather to be sexy since sex for them is an impressive attribute of a cool person image. The extra-sexuality can be 'imbedded' into various things and events and thus, the sex industry grows through the expansion of the exposed and pumped sexuality provided in strip-shows and strip-dance classes, sex-shows and sex-shops, swing-clubs and pick-up master classes, phone sex and erotic video chat firms. Despite all the diversity, the dominating business-model in current sex trans-industry is pornography. In the early twenty-first century the global sales of pornographic materials annually grew by 6 per cent and reached US\$ 97 billion in 2006 (Ropelato 2007). The Internet has become the new driver of the growth with more than 4 million of porn sites that is 12 per cent of the total number of websites (Penn and Zalesne 2007: 277). The Internet video sales increased from US\$ 2.8 billion in 2006 to US\$ 4.9 billion in 2009. Worldwide web provides easy access to porn studio products and to homemade content of the so-called 'amateurs' – individual entrepreneurs and enthusiasts of the pumping extra-sexuality. In the last five years sales of porn magazines and DVDs declined, sales of pay websites grew slowly, but revenues from licensing sexy brands (like Playboy) and from advertising on the free content websites grew sustainably. The sex industry seems to adopt business-model developed by Google and Facebook making money on the context advertising exposed to the Internet users.

The *trend industry* produces effective visual solutions to provide any product with ‘fashionability’ generating the trend as a momentum of product mass adoption. This industry unifies traditional fashion houses, trend bureaus like Trend Union or Worth Global Style Network (WGSN), and diversified design studios like Pininfarina or Porsche Design Group while their designers and trend-watchers working with various things elaborate the only ephemeral but valuable product – visual expression of the time (‘zeitgeist’). Consumers living in the world of glamour are interested not in things or brand images in themselves but in their distinctive ability ‘to be trendy’. Being trendy can manifest in everything: apparel, accessories, cosmetics, gastronomy, entertainments, interiors, cars, gadgets, *etc.* The added value created by designers and trend-watchers is association of any industry product (from textile to high-tech) with some current trend. Visual solutions – form, silhouette, color, texture, logo and so on, successfully applied to one market can be transferred to other markets to make ordinary goods much fancier and brighter. Dealing with customers from different markets, the trend industry operates as a glamorous trans-industry of the ‘pinkness’ generating serious increase in sales. For example, in 2010 WGSN generated revenues of £40 million, which is 5 per cent more than in the previous year; the Porsche Design Group in 2011 posted a 30-percent increase in revenue to a total of €79.8 million.

The *beauty industry* unifies cosmetics producers, hair and nail salons, fitness and shaping clubs, spas, plastic surgery clinics and other enterprises which despite all differences in technologies produce the same thing – a managed look that can manage consciousness. In the world of glamour there is a strong correlation between attractive appearance and income (Economist 2007: 50), and women and men living in this glam-capitalism world manage their looks intensively. As a result, the beauty industry grows dramatically. By 2006 worldwide sales of the beauty goods reached US\$ 280 billion and revenues from services provided by the beauty industry professionals exceeded US\$ 100 billion level. The top players in the beauty goods market successfully overcame the downturn in 2009, and in 2010 such companies as L’Oreal and Estee Lauder grew by more than 10 per cent. Probably, the most impressive statistics characterizing the beauty industry expansion is provided by American Society of Plastic Surgeons reporting a 444-percent increase in number of cosmetic procedures for the period from 1997 to 2007 (Penn and Zalesne 2007: 243–244). Even global economic crisis

could not stop this growth and in 2010 the number of procedures increased by 5 per cent while surgeons' revenues were more than US\$ 10 billion (American Society of Plastic Surgeons 2010).

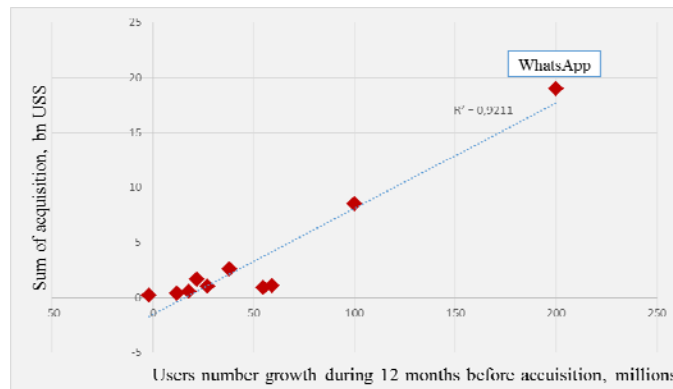
Glamorous trans-industries are rapidly institutionalized through the establishing specific professional associations and conventions, magazines and graduate courses, that is constructing a common identity for heterogeneous market segments and agents. Luxury, hospitality, sex, trend, and beauty industries are only five examples of the instantaneous institutionalization of glamour-intensive production. The product becomes more glamour-intensive if the 'Big Five' elements are combined. Such product can be presented in any market developed by professionals of glam-industries. Using the 'Big Five' logic as the combinatory one, managers and professionals can expand 'implantation' of glamour and therefore create new markets and establish new trans-industries. Within glam-capitalism the trans-industries using technologically different products as raw materials, create specific added value in a common way. Glam-industries are the structures which cross the institutional boundaries and boundaries of traditional social networks. Generating trends as flows of material, human, and symbolic resources throughout social institutions and networks, the trans-industries of glam-capitalism are functioning as structures of specific type: the *flow-structures*.

### **GLAMOUR-INDUSTRIAL COMPLEX STRUCTURES**

Glam-capitalism requires a new organizational form and new logic of business. After industrialization with its focus on material production and after virtualization with its focus on branding the new logic creates and sells trends. To create trends and to become trends many companies start to transform their organization structures into a nexus which can be defined as glamour-industrial complex (hereinafter – GIC). The GIC is a structure involving in the process of trend creation activities: 1) company's product development and marketing staff; 2) professionals from trend bureaus and design studios; and 3) creative consumers who can be characterized as trendoids. The GIC is a network structure but it differs from the network structures of virtualization. The GIC is structured following the 'Top Ten' principle. In contrast to virtualized structures, organization solutions and procedures, the structures of GIC are not aimed at creation of a strong brand as a distinctive and stable identity. The aim is to become trendy even for a very short

time. Because of that the GIC operates as a *trans-structure* composed by the workflows and communication flows crossing the habitual institutional boundaries. The GIC operates across symbolic and organizational boundaries of different brands and industries in order to develop *trans-brands*.

The standard of such trans-structures was elaborated in the late 1990s by Nokia arranging joint development of new mobile phone by ICT-professionals and fashion designers. In the first decade of the twenty-first century the followers of the trend generated by Nokia created many GICs producing trans-brand products: glam-phones like ‘Motorola – Dolce&Gabbana’ and ‘LG – Prada’, glam-books (e.g., ‘Acer – Ferrari’ and ‘Asus – Lamborghini’), and even glam-cars like ‘Hyundai – Prada’. The mentioned GICs exemplify the symptomatic tendency of glam-capitalism: to sacrifice brand for trend.



**Fig. 2. Correlation between new media resources worth and user communities growth rates**

*Source:* the author's estimations based on data from corporate annual reports.

Sacrificing brand for trend is even more obvious in cases of fast capitalization of creative communications. In the early twenty-first century a number of acquisitions demonstrated to what extent the cash can be an equivalent of a pure trend value. In 1998 AOL bought instant messages service ICQ for US\$ 400 million; in 2005 Emap bought trend-watching website WGSN for £140 million, News Corporation acquired social networking website MySpace for US\$ 580 million, and eBay bought the Internet-based voice communication service Skype for US\$ 2.6 billion; in 2006 Google

bought the video sharing website YouTube for US\$ 1.65 billion. The most prominent among such deals is the acquisition of mobile messenger WhatsApp by Facebook in 2014 for US\$ 19 billion. The assets bought by large corporations were not profitable businesses or unique technological platforms. Actually, the buyers paid for an exclusive access to the trend – a rapid growth of the users' community perceived as a market with great prospects.

The GIC can generate such immense market value because it involves activities of the company's customers into the processes of product development and promotion. Therefore, it employs traditional workers but exploits also creativity of consumers who tend to be in trend. Penetrating social institutions and networks, the GIC structures become the flow-structures of creative consumption. Creativity and mobility of people involved in fast but short movements of business projects create temporary but intensive disparities between the leaders and outsiders of consumerism as well as between trendsetters and latecomers.

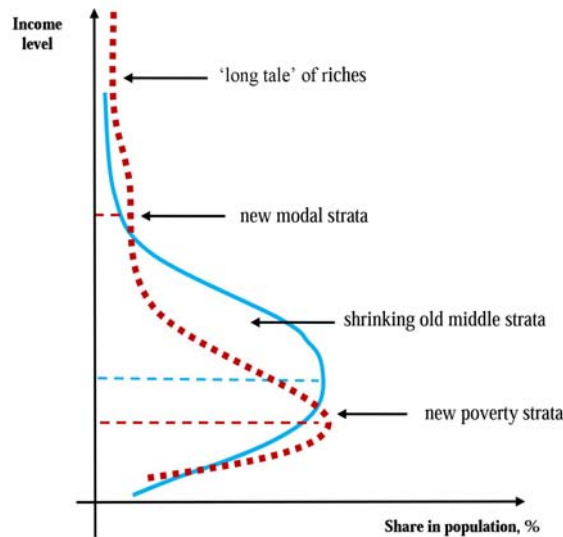
The GIC flow-structures, which look ephemeral from the point of view of traditional institutionalism, demonstrate different phases of the contemporary capitalism dynamics. Industrial economy is a set of institutions providing opportunities and regulations for capitalization of things. Industrial capitalism is based on the value of products. Virtualized economy is a set of networks for capitalization of images. The virtual capital is an accumulated value of brands. The glamour economy is a complex of flow-structures, and capitalization of flows is possible due to the value of trends.

The owners of trends incorporated in flow-structures of GICs and professional trend-makers compose new status groups: glam-capitalists and glam-professionals, which represent a new strata arising above traditional middle class. Despite all justification of glam-capitalists and glam-professionals as 'creative class' (Florida 2002), the capitalization of trends is so profitable due to the copyright system that provides monopoly on mass production of practically costless copies however priced like an original. The creativity discourse is an ideology justifying the high level occupied by glam-capitalists and glam-professionals in contemporary stratification, and the copyright is a juridical tool to retain that level. With the glam-capitalism growing, glam-capitalists and glam-professionals become relatively large category that transforms contemporary stratification.

### GLAM-CAPITALISM IMPACT ON STRATIFICATION

At the edge of the century in economically advanced countries the ‘onion-like’ stratification with numerically dominant middle strata has been replaced by the ‘pear-like’ bimodal stratification (see Fig. 3). The majority of small-business holders, professionals and high-skilled workers traditionally composing the middle strata are now much below the average income level. In economically advanced countries they become a new poverty strata.

In contrast to the habitual poor, the new poverty strata households have all attributes of normal middle class: job that provides money enough for current consumption, house/apartment big enough for the family, savings for durable consumer goods and vacation. But people feel themselves poor because in order to maintain the desirable level of consumption they have to get more sources – additional job and borrowings. Traditional middle strata are under pressure of extra-jobs and loan payments because they try to follow the standard of wellbeing defined by the rising group of entrepreneurs and professionals who capitalize on glamour and elaborate new consumerism patterns more influential than old-fashioned social virtues.

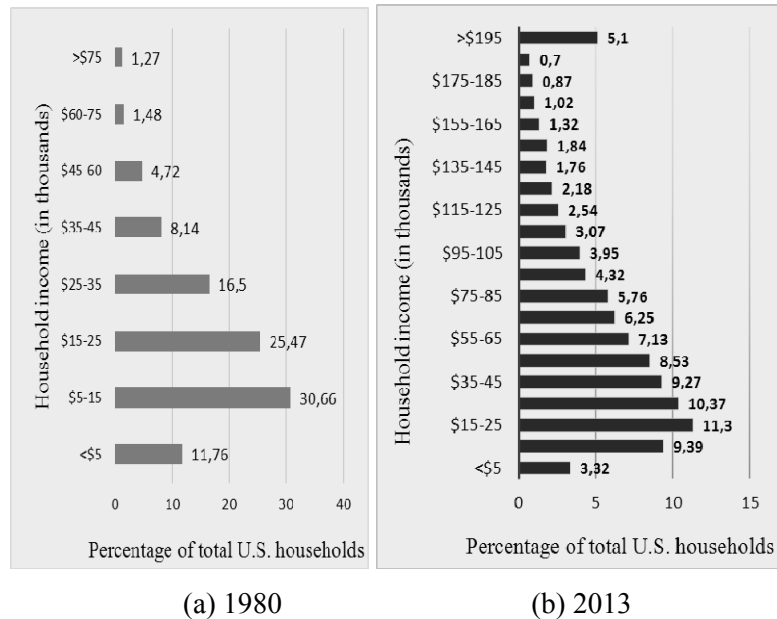


**Fig. 3. Towards the ‘pear-like’ stratification**

*Source:* the author's model based on U.S. Census Bureau data (URL: [www.census.gov](http://www.census.gov)).



The shift to the new form of stratification started in the USA in the late twentieth century and recent data are in good correspondence with the ‘pear-like’ model (see Fig. 4). The new modal strata emerge around the income level US\$ 145–155 thousand while traditional middle class consisting of households with annual income of US\$ 40–100 thousand is losing the dominant position in new configuration of social strata. Numerically dominant is new poverty strata consisting of households with annual income of US\$ 25–40 thousand. Socially dominant now are not the middles but rather the rich and richest people composing the highest income quintile and the ‘long tale’ which includes top 5 per cent of households with annual income of more than US\$ 195 thousand.



**Fig. 4. Shapes of Income Distribution in USA in 1980 and 2013**

*Source:* the author's estimations based on data from (a) Money Income of Households, Families and Persons in the United States 1980. Current Population Reports. Series P-60, No 132. U.S. Department of Commerce. Bureau of the Census 1982; (b) U.S. Census Bureau, Current Population Survey 2014 Annual Social and Economic Supplement.

The American researchers characterize the majority of the riches as ‘shy millionaires’ who have huge assets but prefer relatively modest

lifestyle. Only 30 per cent of 9 million of American millionaires can be characterized as cool ‘deal masters’ and ‘status chasers’ (Penn and Zalesne 2007: 221–223). But these 30 per cent affect the whole stratification as the ambitious new riches entering the upper stratum remain the ‘hungry middles’ in their consumption patterns. They spend extraordinary amounts of money on the ordinary set of the middle strata wellbeing components: residence, car, clothing, vacation, and entertainment. As a result they develop the patterns of hyper-consumerism in the glamour style: ‘superhouse’, ‘supercar’, ‘megashopping’, ‘megaparty’ and so on. Such patterns are adopted by glamers – protagonists of the glamour as a lifestyle, which are numerous among households with income of US\$ 100–250 thousand which are approximately nine tenths of the highest quintile. New modal strata emerging in the highest quintile are displacing the traditional middle strata as the source of social normativity. The catchy businesses and lifestyles of glam-capitalists and glam-professionals become new sources of mass-media coverage and provide followers and imitators from lower strata with value orientations and modes of behavior challenging traditional virtues of petty bourgeoisie.

Glam-capitalists and glam-professionals do not represent the ideal type of bourgeoisie depicted hundred years ago by Max Weber in *The Protestant Ethic and the Spirit of Capitalism*. Weber considered capitalist rationality as the ‘iron cage’ of calculation, discipline, and modesty that makes life the permanent work accumulating the wealth (Weber 2003). The rationality of glam-capitalism is quite different. It appears not in work ethic but in aesthetic consumerism. *Sweaty consumption* is the general activity under conditions of glam-capitalism. Glamers take everything just to consume. They consider all components of life as projects to be invested (financially, physically, and emotionally) while returns grow rapidly. As the growth rate reaches the maximum they tend to cease the project and to go to the next start-up. For example, glam-capitalists demonstrate such unusual and paradoxical logic as they sell businesses which are just started and growing. To develop business just to sell it is the project logic evidently adopted by the founders of ICQ, Skype, WGSN, MySpace, YouTube, WhatsApp and many other start-ups.

Huge earnings and lack of social responsibility among glam-capitalists and glam-professionals at the time of economic crisis became a stake in public debates. Uncontrolled financial opera-

tions, bonuses to top-managers and traders are proposed to be restricted and regulated. Projects of higher taxes on riches, luxury, short transactions, *etc.* could not stop the rising inequality but establish a new social policy dependent on the ‘Big Five’ and ‘Top Ten’ taxation. Such laws could not restrict the glam-capitalism expansion; rather they could legitimate its impact on social structure.

The theoretical model of the shift from the ‘onion-like’ stratification toward the ‘pear-like’ bimodal stratification is supported by empirical data from different countries in transition from industrial society to postindustrial one. In Russia, for example, the statistical data on income distribution allow revealing a gap between two modal strata: the lower modal stratum with monthly income of US\$ 330–650 and the upper modal stratum with income of more than US\$ 1000 (Table 2). Unequal increments used by the Russian Statistics Service to present income brackets make it difficult to analyze stratification correctly, but the tendency towards the formation of strata above mean income level including the ‘long tale’ of riches is evident. It is obvious also that the bimodal configuration of income distribution among people correlates with the spatial configuration of inequality considered above. Moscow and St. Petersburg, two largest cities attracting flows of material, human, and symbolic resources are home for the Russian glam-industry entrepreneurs and well-paid staff.

Table 2

**Stratification in Russia (2013)**

	<b>Russia</b>	<b>Moscow</b>	<b>St. Petersburg</b>
Average monthly income per head, Russian rubles (in 2013 US\$1=RUR30)	25,928	54,869	31,407
Income groups	Share of income group in population, %		
above 45,000	13.6	40.5	19.8
27,000–45,000	19.3	22.0	21.0
19,000–27,000	17.5	13.4	16.7
10,000–19,000	29.4	16.1	25.7
below 10,000	20.2	8.0	16.8

Source: ‘Rosstat’ – Russian State Statistics Service. URL: <http://www.gks.ru>.

The emerging stratification results from the rise of the glam-capitalism flow-structures. The structures of the glam-capitalism

are flow-structures because they coordinate participants (actors and actants, humans and things) via direct and intensive moves across barriers and boundaries established by traditional institutional structures and by the network structures of recent decades. The flows of people, money, goods, and information are structuring social life under the glam-capitalism since they define intentions and outcomes of social activities. The involvement in the flows becomes a factor of social differentiation. People deliberately involved in the glam-industries and glamour-industrial complexes get access to more resources. Creative consumers get access to additional resources, despite the fact that glam-capitalists extract profits from consumers' enthusiastic participation in flow-structures. However, there are refugees, economic migrants, victims of human trafficking who try to get access to resources provided by the glam-capitalism in networked enclaves of globality but lose their autonomy and become objectified parts of flow-structures.

### **TEMPORAL DIMENSION OF INEQUALITY**

Generating trends in the consumer markets, the flow-structures of the glam-capitalism produce an effect of temporality or fluidity of social inequality. Trendsetters make an object valuable and leaders of consumerism pay for that object much more than masses of ordinary consumers who are waiting for reduced prices in season sales. All three groups of actors involved in consumption (trendsetters, early adopters, and late consumers) get the same goods but their access to the value is different in terms of time. The temporal lags among them differentiate access to material, symbolic, and human resources, and especially to such symbolic resource as prestige of being the leaders of consumers flow.

The temporal inequality in recent years obviously emerges from trends in consumption of electronic gadgets and new media. Traditional view of 'digital divide' between privileged minority having access to computers and the rest of people is not stable structure. Prestigious gadgets provide their owners with additional options to get information, to participate in communities, to work and to consume. Such gadgets can be attributes of social status but for a relatively short time. They lose the function of social distinction after the majority of ordinary consumers get them. However, by that moment the function of distinction is shifted to another trendy media and differentiation among trendsetters, early

adopters, and the latecomers is organized into a new consumer flow. For example, by 1995 in the USA more than 50 per cent of adults owned desktop computers, and only 20 per cent used mobile phones. According to Pew Research Center surveys by 2000 the cell phone became an attribute of more than 50 per cent of American adults and the 'cell divide' disappeared by 2012 as the share of mobile phones owners reached 87 per cent. Trendsetters and leaders of consumerism have been swallowed by mass of ordinary consumers on that market, and the function of distinction has shifted to a new trend of temporal differentiation emerging among enthusiastic users of tablet computers. The intensity of consumer flow on the tablets market reveals the dynamics of 'tablet divide' as the newest trend of temporal inequality: only 4 per cent of adults in the USA owned tablet computers in 2010, but 19 per cent in 2012, and 42 per cent in 2014.

The US consumer trends are paradigmatic for other economies and societies. Similar effects of temporal inequality can be seen in other countries. For example, in Russia mobile phone performed the function of social distinction in the early 2000s when, according to surveys by Russian Public Opinion Research Center, ownership of such device was characteristic for 5 per cent of adults in 2002 and 17 per cent in 2003. That trend of temporal inequality formation disappeared when the usage of mobile phone became common life style attribute for the majority composed by 65 per cent in 2007 and more than 90 per cent by 2012. New trend of differentiation in the mid-2000s emerged on the base of Web 2.0. Surveys revealed only 5 per cent of Russian adults who used the Internet resources in 2006. The share of users among the adult population reached 21 per cent in 2009, 37 per cent in 2012, and 52 per cent by 2015. The 'digital divide' between the Internet users and the mass of late-coming consumers becomes narrow, but among people having access to the Internet a new form of inequality emerges with expansion of social networking services. The national platforms Odnoklassniki.ru and Vkontakte.ru became open for user registration in 2006, and by the next year around 10 per cent of the Internet users had accounts in social networks and therefore access to new media and 'hand-made content'. The surveys of Russian Public Opinion Research Center show a rapid growth of users interested in such access to new kind of resources: 53 per cent of the Internet users had accounts on social

networking platforms by 2010 and new 'digital divide' disappeared by 2015 when 85 per cent of respondents declared membership in social networks.

Temporal inequality cannot be described in traditional terms of discrimination on a social 'ladder' or exclusion from a 'circle'. Distinction has to be made between the outpacing and the outpaced by flow. For producers and consumers of trends the consumption becomes less object-oriented and more time-oriented. The time becomes a specific value obtained for money, and money becomes the tool for time capitalization. The temporal capital is represented by trends permanently generated by the flow-structures of glam-capitalism. The rising significance of temporal organization of access to trendy goods allows shifting the focus of analysis from traditional quantitative gap between '*having more*' and '*having less*' toward the temporal lag between '*having now*' and '*having later*'.

Temporal inequality adds one more dimension to contemporary configurations of inequality. Inequality now is not only hierarchical order differentiating higher positions and lower ones, or order of network differentiating core positions and peripheral ones. Inequality is also about the different dynamic of access to resources. The differentiation between faster flows of resources and slower flows at the postindustrial consumer goods markets is a specific form of social inequality supplementing disparities based on institutionalized statuses and networked communities memberships.

### CONCLUDING REMARKS

The emerging flow-structures of the glam-capitalism reshape the configuration of social inequality based during the two recent centuries on institutional regulation of access to material, human, and symbolic resources according to social status attained in the frameworks of formal organizations. New forms of inequality raise the structural complexity of societies entering the postindustrial phase of the capitalism evolution. Now three types of inequality can be identified in current social practices of differentiation, discrimination, social conflicts, and social policies:

1) *institutional inequality* based on social status that establishes correspondence between: class and property, income and stratum, symbolic capital and prestige of life style, personal rights and gender, civil rights and ethnicity and so on;

2) *networked inequality* based on cultural identity that provides distinction between the included in network who have privileges of membership and the excluded from network;

3) *flow inequality* based on spatial and temporal mobility / creativity that provides involvement in flows and corresponding advantages of place and moment.

The new forms of inequality and structures of glam-capitalism look like structural mutations in the long history of capitalism. The traditional forms of inequality, which emerged within previous evolution of capitalism, are dominating even in contemporary configurations, but the new forms should be taken into account to depict correctly multi-dimensional inequalities of our time and to define tendencies of contemporary societies' long-term restructuring.

#### NOTE

\* This work is based on research supported by the Russian Science Foundation (№ 14-18-00359).

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