

CHAPTER 11

CLASS

Draft 1.0 March 2008

In the previous chapter we explored the moral question of what it means to say that an inequality is unfair. In this chapter we will examine the problem of alternative ways of thinking sociologically about one domain of inequality – class. In the following chapters we will explore the empirical problem of inequality in America and how it has changed over time.

“Class”, like many concepts in sociology, is a hotly contested idea. There is not even an agreed-upon definition of “class”, let alone a consensus on the best theory of class. All approaches to class see class as a way of thinking about economic inequalities, but they use the word “class” in very different ways.¹

The various approaches to class among sociologists fall into three broad categories. The first identifies class with the attributes and material conditions of life of individuals. The second sees class as mainly about the ways in which social positions give some people control over economically valued resources of various sorts while excluding others from access to those resources. And the third sees class as, above all, involving the ways in which economic positions give some people control over the lives and activities of others. We can call these three approaches the *individual attributes* approach to class, the *opportunity-hoarding* approach, and the *domination and exploitation* approach.

Class as individual attributes and material conditions of life

Both among sociologists and among the lay public, the principle way that most people understand the concept of class is in terms of individual attributes and life conditions. People have all sorts of attributes including such things as sex, age, race, religion, intelligence, education, geographical location, and so on. Some of these attributes they have from birth, some they acquire but once acquired are very stable, and some are quite dependent upon a person’s specific social situation at any given point in time and may accordingly change. These attributes are consequential for various things we might want to explain, from health to voting behavior to childrearing practices to income and wealth. People also can be characterized by the material conditions in which they live: squalid apartments, pleasant houses in the suburbs, or mansions in gated communities; dire poverty, adequate income, or extravagant wealth; insecure access to health services or excellent health insurance and access to high quality services. “Class”, then, is a way of talking about the connection between individual attributes and these material life conditions: class identifies those economically useful attributes of people that shape their opportunities and choices in a market economy and thus their material conditions of life. Class should neither be identified simply with the individual attributes nor with the material conditions of life of people, but with the interconnections between these two.

¹ For a thorough discussion of alternative approaches to class, see Erik Olin Wright (ed), *Approaches to Class Analysis* (Cambridge: Cambridge University Press, 2005).

The key individual attribute that is part of class in contemporary American society within this approach is education, but some sociologists also include somewhat more elusive attributes like cultural resources, social connections, and even individual motivations. All of these deeply shape the opportunities people face and thus the income they can acquire in the market, the kind of housing they can expect to have, the quality of the health care they are likely to get. When these different attributes of individuals and material conditions of life broadly cluster together, then these clusters are called “classes”. The “middle class,” within this approach to the study of class, identifies people who are more or less in the broad middle of the American economy and society: they have enough education and money to participate fully in some vaguely defined “mainstream” way of life. “Upper class” identifies people whose wealth, high income, social connections and valuable talents enable them to live their lives apart from “ordinary” people. The “lower class” identifies people who lack the necessary educational and cultural resources to live securely above the poverty line. And finally, the “underclass” identifies people who live in extreme poverty, marginalized from the mainstream of American society by a lack of basic education and skills needed for stable employment.

In the individual attributes approach to class, the central concern of sociologists has been understanding how people acquire the attributes that place them in one class or another. Given that for most people economic status and rewards are mainly acquired through employment in paid jobs, the central thrust of most research was on the process by which people acquire the cultural, motivational, and educational resources that affect their occupations in the labor market.

Skills, education, and motivations are, of course, very important determinants of an individual’s economic prospects. What is missing in this approach to class, however, is any serious consideration of the *inequalities in the positions themselves* which people occupy. Education shapes the kinds of jobs people get, but what explains the nature of the jobs which people fill by virtue of their education? Why are some jobs “better” than others? Why do some jobs confer on their incumbents a great deal of power while others do not? Rather than focusing exclusively on the process by which individuals are sorted into positions, the other two approaches to class analysis begin by analyzing the nature of the positions themselves into which people are sorted.

Class as Opportunity-hoarding

The idea of “opportunity-hoarding” is closely associated with the work of an early 20th century sociologist, Max Weber.² The idea is that in order for a job to confer on its occupants high income and special advantages it is important that the incumbents of those jobs have various means of excluding people from access to the jobs. This is also referred to by sociologists as a process of *social closure*: the process where by access to a position becomes restricted, closed off to some people. One way of doing this is by creating requirements for filling the job that are very costly for people to meet. Educational credentials often have this character: high levels of education generate high income in part because there are significant restrictions of the supply of highly educated

² Among contemporary American sociologists, the term “opportunity-hoarding” was used most explicitly by Charles Tilly, especially in his book *Durable Inequality* ().

people. Admissions procedures, tuition costs, risk-aversion to large loans by low income people and so on all block access to higher education for many people, and this benefits those with higher education. If a massive effort was made to improve the educational level of those with less education this would itself lower the value of education for those with high education, for its value depends to a significant extent on its scarcity.

Someone might object to this description of educational credentials by arguing that education also affects earnings by enhancing a person's productivity. Economists argue that education creates "human capital" which make people more productive, and this is why employers are willing to pay them higher wages. While some of the higher earnings that accompany higher earnings reflect productivity differences, this is only part of the story. Equally important is the ways in which the process of acquiring education excludes people through various mechanisms and thus restricts the supply of people for these jobs. A simple thought experiment shows how this works: imagine that the United States had open borders and let anyone with a medical degree or engineering degree or computer science degree anywhere in the world come to the U.S. and practice their profession. The massive increase in the supply of people with these credentials would undermine the earning capacity of holders of the credentials even though their actual knowledge and skills would not be diminished.

Credentialing and licensing are particularly important mechanisms for opportunity-hoarding, but many other institutional devices have been used in various times and places to restrict access to given types of jobs: color bars excluded racial minorities from many jobs in the United States, especially (but not only) in the South until the 1960s; marriage bars and gender exclusions restricted access to certain jobs for women until well into the 20th century in most developed capitalist countries; religion, cultural style, manners, accent – all of these have constituted mechanisms of exclusion.

Perhaps the most important exclusionary mechanism that protects the privileges and advantages of people in certain jobs in a capitalist society is private property rights in the means of production. Private property rights are the pivotal form of exclusion that determines access to the "job" of employer. If workers were to attempt to take over a factory and run it themselves they would be violating this process of closure by challenging their exclusion from control over the means of production. The capacity of owners to acquire profits depends upon their defense of this exclusion, which we call "property rights." The core class division within both Weberian and Marxian traditions of sociology between capitalists and workers can therefore be understood as reflecting a specific form of opportunity-hoarding enforced by the legal rules of property rights.

Exclusionary mechanisms that shape class structures within the opportunity-hoarding approach do not operate only in the most privileged parts of the class structure. Labor unions can also function as an exclusionary mechanism, by protecting the incumbents of jobs from competition by outsiders. This does not mean that on balance unions contribute to increasing inequality, since they may also act politically to reduce inequalities and they may effectively reduce inequalities generated by other mechanisms of exclusion, especially mechanisms connected to private ownership of the means of production. Still, to the extent that unions create barriers to entry to certain jobs, they do create a form of social closure that raises the material conditions of life of insiders.

Sociologists who adopt the opportunity-hoarding approach to class generally identify three broad class categories in American society: capitalists, defined by private property rights in the ownership of means of production; the middle class, defined by mechanisms of exclusion over the acquisition of education and skills; and the working class, defined by their exclusion from both higher educational credentials and capital. That segment of the working class that is protected by unions is either seen as privileged strata within the working class, or, sometimes, as a component of the middle class.

The critical difference between the opportunity-hoarding concept of class and the individual attribute concept of class is this: In the opportunity-hoarding view of class the economic advantages people get from being in a privileged class position are causally connected to the disadvantages of people excluded from those class positions. In the individual attributes approach advantages and disadvantages are simply outcomes of individual conditions. To state this in a simple way, in the opportunity-hoarding conception, the rich are rich in part *because* the poor are poor; the rich do things to secure their wealth which contributes to the disadvantages poor people face in the world. In the individual attribute approach, the rich are rich because they have favorable attributes; the poor are poor because they lack these attributes; and there is no systematic causal connection between these facts. Eliminating poverty by improving the relevant attributes of the poor – by improving their education, cultural level, and human capital – would in no way harm the rich. In the opportunity-hoarding approach, in contrast, eliminating poverty by removing the mechanisms of exclusion potentially undermines the advantages of the rich in the existing system.

Class as exploitation and domination

This is the most controversial way of thinking about class. It is associated most strongly with the Marxist tradition of sociology, but some sociologists more influenced by Weber also emphasize exploitation and domination in their conception of class.

“Domination” and, especially, “exploitation” are contentious words in sociology because they tend to imply a moral judgment, not simply a neutral description. Many sociologists try to avoid such terms. We feel, however, that they are important and accurately identify certain key issues in understanding class. Both domination and exploitation refer to ways in which people control the lives of others. “Domination” refers to the ability to control the *activities* of others. Exploitation refers to the acquisition of economic benefits from the laboring activity of those who are dominated. All exploitation, therefore, implies some kind of domination, but not all domination involves exploitation.

In relations of exploitation and domination it is not simply the case that one group benefits by restricting access to certain kinds of resources or positions. In addition, the exploiting/dominating group is able to control the laboring effort of another for its own advantage. Consider the following classic contrasting cases: In the first case, large landowners seize control of common grazing lands, exclude peasants from gaining access to this land, and reap economic advantages from having exclusive control of this land for their own use. In the second case, the same landlords seize control of the grazing lands, exclude the peasants, but then bring some of those peasants back onto the land as agricultural laborers. In this second case, in addition to gaining advantage from

controlling access to the land the landowner also dominates and exploits the labor of the farm worker. This is a stronger form of interdependency than in the case of simple exclusion, for here there is an on-going relationship between the *activities* of the advantaged and disadvantaged persons, not just a relationship between their *conditions*. Exploitation and domination are forms of structured inequality which require the continual active cooperation between exploiters and exploited, dominators and dominated.

Within the domination/exploitation approach class, the central class division in a capitalist society is between those who own and control the means of production in the economy – capitalists – and those who are hired to use those means of production – workers. Capitalists, within this framework, both exploit and dominate workers. Other kinds of positions within the class structure get their specific character from their relationship to this basic division. Managers, for example, exercise many of the powers of domination, but are also subordinated to capitalists. CEOs and top managers of corporations often develop significant ownership stakes in their corporations and therefore become more like capitalists. Highly educated professionals and some categories technical workers have sufficient control over knowledge (a critical resource in contemporary economies) and skills that they can maintain considerable autonomy from domination within work and significantly reduce, or even neutralize, the extent to which they are exploited.

In both the opportunity-hoarding and exploitation/domination approaches to class, power plays an important role. In both of these approaches, the inequalities in income and wealth connected to the class structure are sustained by the exercise of power, not simply by the actions of individuals. The inequalities generated by opportunity-hoarding require the use of power to enforce exclusions, and the inequalities connected to exploitation require supervision, monitoring of labor effort, and sanctions to enforce labor discipline. In both cases, social struggles that would challenge these forms of power would potentially threaten the privileges of people in the advantaged class positions. To repeat what we already have said: these advantages causally depend upon the mechanisms of exclusion and exploitation which impose disadvantages on others.

Class in America today

While sociologists have generally tended to base their research on one or another of these three approaches to class, there really is no reason to see them as mutually exclusive. Instead we can see the reality of class as being generated by the complex interactions of the different mechanisms identified within each approach. One way of combining the three approaches is to see each of them as identifying a key process that shapes a different aspect of the American class structure:

1. The exploitation and domination approach to class identifies the fundamental class division connected to the capitalist character of the economy: the class division between capitalists and workers.
2. The opportunity hoarding approach identifies the central mechanism that differentiates middle class jobs from the broader working class by creating barriers which in one way or another restrict the supply of people for desirable employment.

The key issue here is not mainly *who* is excluded, but simply the fact that there are mechanisms of exclusion which sustain the privileges of those in middle class positions.

3. The individual attributes and life conditions approach identifies a key set of processes through which individuals are sorted into different positions in the class structure or marginalized from those positions altogether. Opportunity hoarding identifies exclusionary processes connected to middle class jobs. The individual attributes and life conditions approach helps specify what it is in the lives of people that explains who is excluded.

These three processes operate in all capitalist societies. The differences in class structures across countries are produced by the details of how these mechanisms work and interact.

Economic systems differ in how unfettered are the rights and powers that accompany private ownership of the means of production, and thus in the nature of the class division between capitalists and workers. As we have already discussed in earlier chapters, the United States has long be characterized as a capitalist economy with among the weakest public regulations of capitalist property. This is reflected in a number of critical facts about the United States: a very low minimum wage, which allows for higher rates of exploitation than would otherwise exist; low taxation on high incomes, which allows the wealthiest segments of the capitalist class to live in extraordinarily extravagant ways; weak unions and other forms of worker organization that could act as a counterweight to domination within production. The result is that among developed capitalist countries the United States probably has the most polarized class division along the axis of exploitation and domination.

In terms of the formation of a middle class through mechanisms of opportunity hoarding, especially those linked to education, the United States has historically had one of the largest middle classes. The US was the first country to massively expand higher education, and for a long time access to higher education was very open and relatively inexpensive, allowing people with few resources to attend universities. The US has also been characterized by a multi-tiered higher education system – with community colleges, junior colleges, liberal arts colleges, universities, public and private institutions – that made it possible for people to enter higher education later in life and to move from one tier to another. People could screw up as a young adult, but if they “got their act together” there was at least the possibility of going back to school, getting a credential, and gaining access to middle class employment. This large and diverse system of higher education helped support the creation of a large number of middle class jobs. This was complemented, in the decades after World War II, by a relatively strong labor movement that was able to mute job competition for jobs in the core of the American economy that did not require higher education. This enabled unionized workers in those jobs to acquire income and security similar to the credentialed middle class.

Now, it was never the case, contrary popular rhetoric, that the United States was overwhelmingly a “middle class society”. Most jobs in the American employment structure did not gain advantages from exclusionary credentials, and the labor movement never organized more than about **35%** of the non-managerial labor force. Furthermore, in recent decades there has been an erosion of at least some of these processes of middle-

class exclusion: the labor movement has precipitously declined since the 1970s; many kinds of middle class jobs have become less secure, less protected by the credentials associated with employment in such positions; and the economic crisis of the end of the first decade of the 21st century has intensified the sense of precariousness of many people who still think of themselves as being in middle class jobs. Thus, while it is still certainly the case that higher education, and increasingly, advanced academic degrees play a central role in creating access to many of the best jobs in the American economy, it is much less clear what the future prospects are for a large and stable middle class.

Finally, the American class structure has been characterized by a particularly brutal process through which individual attributes relevant to the fate of individuals in the class structure are formed. The educational system in the United States is organized in such a way that the quality of education available to children in poor families is generally vastly inferior to the quality of education of children of middle class and wealthy families. This deficit in publicly provided education for the poor is intensified by the extreme deprivations of poverty in the United States due to the absence of an adequate safety net and supportive services for poor families. The rapid deindustrialization of the American economy and the absence of comprehensive job training programs for people displaced by deindustrialization means that a significant number of people find themselves without the kinds of skills needed for the current job structure. The result is that the United States class structure is characterized by the highest rates of poverty and economic marginality of any comparable country.

Taking all of these processes together yields the following general picture of the American class structure at the beginning of the 21st century:

- An extremely rich capitalist class and corporate managerial class, living at extraordinarily high consumption standards, with relatively weak constraints on their exercise of economic power. The American class structure is the most polarized class structure at the top among developed capitalist countries.
- An historically large and relatively stable middle class, anchored in a expansive and flexible system of higher education and technical training connected to jobs requiring credentials of various sorts, but whose security and future prosperity is now uncertain.
- A working class which once was characterized by a relatively large unionized segment with a standard of living and security similar to the middle class, but which now largely lacks these protections.
- A poor and precarious segment of the working class, characterized by low wages and relatively insecure employment, subjected to unconstrained job competition in the labor market with minimal protections by the state.
- A marginalized, impoverished part of the population, without the skills and education needed for jobs above poverty, and living in conditions which make it extremely difficult to acquire those skills. The American class structure is the most polarized at the bottom and developed capitalist countries.