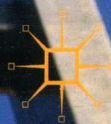


Ken Roberts

Class in Contemporary Britain

Second Edition



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2nd Edition

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palgrave
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Introduction

1

Class inequalities today

Britain today is one of the most unequal countries in the western world, headed only by Portugal and the USA (Wilkinson and Pickett, 2009). Income inequality in Britain widened dramatically during the 1980s, due mainly to changes in the tax and welfare benefit regimes (which favoured the better-off). Inequalities stabilized during the early-1990s, then widened again after 1997 when New Labour was in government, due mainly to greater disparities in earnings from employment (National Equality Panel, 2010). In 2008 the median pay of full-time employees was £479 per week (£521 for men and £412 for women) (www.statistics.gov.uk). The top 10 per cent all had weekly earnings in excess of £956, while the lowest 10 per cent all earned less than £262. In 2006 the chief executives of the top 100 stock exchange listed companies earned an average of £53,846 per week (£2.8 million a year). Their pay had risen by 102 per cent since 2000, while average earnings rose by just 29 per cent (www.theregister.co.uk). Their *weekly* pay in 2006 was roughly twice the earnings of the average male in an entire year. Wealth in Britain is distributed even more unequally than income. The richest one per cent own over a third of all marketable assets (excluding housing). The bottom 50 per cent share just one per cent of the nation's total wealth (www.statistics.gov.uk). We need class analysis not just to describe, but to explain the causes and consequences of these inequalities.

There are serious consequences. Compared with children of top professionals and managers, the children of unskilled workers are 50 per cent more likely to die in infancy. As adults, the unskilled group are roughly twice as likely to die before reaching retirement age, and ten times more likely to have no natural teeth. Residents in Britain's most prosperous neighbourhoods can expect to live disability-free into their 70s, whereas in Britain's most deprived neighbourhoods disability-free life typically ends when people are in their 50s (Marmot Review, 2010). Children from the top group are six times more likely to go to university, and they are also six times more likely to stay in the top group than are those born at the bottom to rise to the top (Reid, 1998). Class is related to many other things – the ages at which people marry, how they vote, church attendance and risks of criminal conviction.

There are areas in which everyone loses in countries like Britain where inequalities are exceptionally wide. The most unequal western countries have the highest crime rates, the largest prison populations (relative to their total populations), more obese men and women, more teen pregnancies, lower educational attainments, and people die younger. It is not just poverty: inequality *per se* is a killer. There are areas in which even the richest people benefit from less inequality than exists in Britain: they live longest in the most equal western countries (Wilkinson and Pickett, 2009). There are no areas in which everyone appears to benefit from exceptionally wide inequalities. The most unequal countries are not necessarily the richest. So what are the obstacles to making Britain more equal? Class theory has answers.

Class inequalities and capitalism

The main reason why Britain has such wide economic inequalities is that the economy is capitalist, and capitalism has always generated much wider economic inequalities than any other kind of modern economy. We know this on account of ‘natural experiments’ that occurred during the twentieth century. In Yugoslavia there was a period between the 1950s and 1980s when work organizations were worker-managed, and the pay of all employees, including plant directors, was set by workers councils. These councils always voted to pay their directors more than rank and file employees, but the typical difference between top executive and average pay was around 2:1 (International Labour Office, 1962; Koyama, 1995). Plant directors under Soviet-style central economic planning were treated somewhat more generously. At different times and in different places the top:bottom pay ratio was between 2:1 and 13:1 (Ferge, 1979; Lane, 1982; Lane and O'Dell, 1978; Matthews, 1978; Yanowitch, 1977). In Britain today it is around 100:1.

Britain is one of the most unequal capitalist countries because its market economy is among the least regulated, meaning that pay levels (among other matters) do not have to be agreed between business leaders, trade unions and government. Put bluntly, owners and top managers pay themselves handsomely ‘because they can’. However, Britain is simply one of the more extreme cases. All capitalist economies require vast economic inequalities: they need separate wealthy classes of capitalist owners in order to drive their market systems. We know this because of another set of ‘natural experiments’ that occurred towards the end of the twentieth century following the collapse of communism in Eastern Europe. Some initial privatizations of state industries were via vouchers which were sold cheaply (sometimes given away) to employees and the general public, thus turning them all into capitalists and, it was hoped, enthusiastic supporters of the change of system. What happened? Nothing! This was the problem. There were no changes in work practices in the plants. There was no new investment. A separate capitalist class is needed that is willing to dismiss employees, impose new work practices, and procure

new investment (by borrowing, if necessary) in search of spectacular profits. Thus before long the new market economies had created new classes of capitalist 'oligarchs' (see, for example, Hoffman, 2002).

Markets are said to be more effective than any other coordinating mechanism for generating growth and thereby raising the incomes and living standards of all social classes. So everyone is supposed to benefit from the wide inequalities that a capitalist system requires. The proof is said to be that the world's oldest, most mature capitalist market economies (the western countries) enjoy the world's highest standards of living, and the convincing manner in which the west out-performed the communist bloc and won the Cold War. However, during the twenty-first century some long-standing strengths of capitalism may be regarded as serious liabilities. First, economic growth is no longer making people happier or more content with their lives (Layard, 2005). Once populations have been lifted well clear of poverty, further improvements in living standards cease to make them more satisfied. Second, growth now threatens to destabilize the natural environment on which human survival depends. Third, a shift in the class balance of power in favour of the very wealthy (the reasons are explained in chapter 7), means that nearly all the benefits of economic growth now go to those at the top while the bottom half or bottom third struggle to maintain their living standards.

Challenges for class theory and research

The job of class theory and research is to explain these patterns and trends in economic inequalities, and the consequences. Is class theory delivering?

Class has always been among sociology's strongest unifying concepts. Whatever their areas of specialization – economic life, the family, crime, education, politics etc – sociologists have also been interested in social class. This is because class positions have consequences in all parts of people's lives. Class analysis reveals links between the economic, the political, the social and the cultural. At any rate, this is the goal and promise of class analysis. However, in very recent times there has been a tendency for the study of class to become just another sociological specialism in which a coterie of class experts address one another and are ignored by the rest of their discipline. In so far as this is the case sociology as a whole is poorer. Class needs to remain a unifying concept. Latterly, class researchers have conceded that any diminished impact has been due, at least partly, to their own deficiencies.

In 1996 Harriett Bradley identified three challenges that class theory and research needed to address:

- Changes in the class structure.
- The increased importance, or at least awareness, of other social divisions, particularly gender and ethnic divisions.
- Postmodern thought.

Addressing change is a problem for class research partly on account of the limited available and readily comprehensible vocabulary. The standard language of class analysis – middle class and working class, sometimes prefixed by upper or lower – seems to set the scene in times past. Equally challenging, some of the big questions of the twentieth century are now dead and need to be replaced. For much of the last century an issue addressed repeatedly was whether the working class was likely to become the revolutionary force that Karl Marx (1818–1883) predicted. Clearly this is not happening, at least for the time being. Another issue that has been investigated to exhaustion is why working class children are out-performed in education. Either we now know the answers or the question needs replacing.

Divisions become an issue for sociology only when they are believed to be socially constructed, which has always been the case for class divisions. Race and gender have a different intellectual history. Until the Second World War, race was usually treated as a scientific category. Until second-wave feminism insisted otherwise in the 1960s, it was believed that women had been emancipated by first-wave feminism and that the remaining differences in the lives of men and women were expressions of their different biological natures. Ethnicity, race and gender are now all believed to be socially constructed categories, and in Britain these constructions changed radically during the second half of the twentieth century. Britain became a multi-ethnic, multi-cultural country. Women today play a much more prominent role than formerly in the labour market and in public life more generally. The different distributions of men and women, and different ethnic groups, between different occupation-based social classes is an obvious issue for class research to address, but the challenge is deeper than this. The experience of being middle class, or being working class, is likely to vary by both gender and ethnicity. Moreover, children are simultaneously socialized as boys and girls, into different social classes, and different ethnic groups, and these different identities must surely be fused together.

Modern thought was characterized by a faith in reason: confidence that rational beings who took account of all the evidence would discover the right answers, and would agree on these answers. The postmodern challenge is the claim that equally rational observers, confronting exactly the same evidence, may come to radically different conclusions. This challenge confronts all areas of sociological enquiry and, indeed, all disciplines (the natural sciences as well as the social sciences and humanities). In sociology in general, and in class analysis in particular, a response has been to treat lay ‘theories’ (everyday ideas) about class and other aspects of life with greater respect, and to cease treating expert views as the final word.

During the last ten years class researchers have accepted the need for renewal and have responded to Harriett Bradley’s challenges (see Crompton and Scott, 2000; Devine and Savage, 2000), as will become evident throughout this book. However, class analysis has a heritage that must not be jettisoned wholesale.

In this opening chapter we next consider the meaning(s) of the word class. We see that different sociologists have defined class in rather different ways,

but with important common denominators, and these do not need renewal. Class theory has a track record, a heritage on which to build. That said, this chapter and the entire book recognize that class theory and research currently face very serious challenges. The chapter concludes with a book plan – an explanation of the ground to be covered in each of the subsequent chapters.

What is class?

Anyone who is not entirely new to sociology knows that, although class is one of the most-used terms in the entire discipline, there is no agreed definition. All books on the subject must necessarily point out that Karl Marx and Max Weber, and functionalist sociologists, have defined class in different ways. Actually there are no longer any sociologists who stick faithfully to the original ideas of Marx or Weber, or full-strength functionalism, so the prefix ‘neo’ is often attached to present-day Marxists, Weberians and functionalists.

Karl Marx (1818–1883)

Marx was a German, a travelling scholar and would-be revolutionary, who settled in England from 1849 where he collaborated with Friedrich Engels who was also from Germany, from a family engaged in the textile industry. Engels became a socialist while a student, became Manchester-based while representing his family business, wrote a book about the industrial working class in that city, then began his association with Marx.

Everyone has heard of Karl Marx because he developed a theory that was to become the world’s main change ideology of the twentieth century. He is the source of the most powerful critique of capitalism that has ever been produced. Marx argued that there were just two main classes in capitalist societies: first, the owners of the means of production, the bourgeoisie or capitalist class and second, the proletariat or working class. Phrases such as ‘means of production’ will be properly defined in due course. For present purposes Marx’s meaning will be clear. Marx forecast that over time other classes would tend to disappear, that capitalist societies would be progressively polarized into their two main classes, and that conflict between these classes would lead eventually to the downfall of capitalism.

Present-day Marxists do not necessarily believe any of this. In sociology they are most likely to believe only that Marx’s ideas are a good starting point. They recognize that capitalist societies have not become polarized, and that, in addition to the two main classes, there are additional classes in so-called ambiguous or contradictory locations. Again, these terms will be explained properly later on. Present-day Marxists acknowledge that the working class has not become a revolutionary force and seek to explain why. They are also most likely to accept that, while classes have an economic base, other factors – politics, ideology, race and gender divisions – can play important roles in class formation.

Indeed, so many modifications to the original theory have been introduced that it is sometimes difficult nowadays to distinguish the ideas of Marxists from those of other sociologists, except that the former always start by identifying classes in terms of their 'relationships to the means of production'.

Erik Olin Wright, an American sociologist, is probably the discipline's most prominent living, Marxist class theorist. His class schemes are discussed in detail in chapter 2, but to anticipate, in addition to the working class and owners (who can be sub-divided according to their numbers of employees, if any), there are managers who are salaried yet perform functions of capital (controlling workers and otherwise administering businesses in their employers' interests) and professionals with expert knowledge and skills who have to be trusted to use their skills and knowledge in their employers' interests. Managers and professionals are both said to receive exceptional rewards (compared with other employees) in exchange for their loyalty. The point to note is that these additional classes are derivative from the basic division and conflict of interests between capitalists and workers. Wright has also explained how Marxist class analysis can be rendered compatible with the perpetuation of the capitalist system. Compromises are said to be possible which serve the interests of the capitalist class while also satisfying the working class's short-term demands, and such compromises can be repeated again and again, thus maintaining the system (see Wright, 2000).

Max Weber (1864–1920)

Weber was another German, but unlike Marx, Max Weber spent his entire working life in his own country. Weber came a generation after Marx, and it is often said, with justification, that Weber's work is best understood as a debate with Marx, or probably more accurately, a debate with the ghost of Marx since it was the Marxist thinking of Weber's own lifetime with which he was engaged.

Whereas Marx said that classes were defined by their relationships to the means of production, Weber claimed that classes arose in market places, the labour market being the crucial market place in this context. So there was a class of people who hired, and another class who sold their labour power. These seem very much like Marx's two main classes. True, but whereas for Marx it was experiences at work (relationships to the means of production), for Weber it was the processes of gaining work (or hiring labour) and the rewards (life-chances) that arose from this, that were crucial. Also, Weber's conceptualization allows classes with different types of property, and selling different types of labour power, to be identified, and there is no assumption that over time other divisions will weaken and that we will be left with just two main classes. Any sociology that places people into classes according to the types of labour that they offer or the jobs that they do (manual or white-collar, for example) is liable to be categorized as neo-Weberian. Neo-Marxists

who recognize managers and professionals as distinct classes thereby converge with Weberian thinking.

All told, Weber took the view that matters were much more complicated than Marx had suggested. Apart from offering a different definition of class, Weber also distinguished class from status. Scholars still argue over exactly what Weber meant by class and status, but for present purposes it is sufficient to understand how and why Weber is seen as having advocated a multi-dimensional view of stratification. He argued, as explained above, that classes were formed in market places, whereas, in Weber's view, status groups could be identified by the honour or prestige attached to their styles of life. Whereas Marx believed that other inequalities arose from an economic base of class divisions (though present-day Marxists acknowledge at least some limited autonomy for the cultural and political spheres), Weber argued that different inequalities had different sources, and that although in the real world the different types of stratification (into classes and status groups) interacted, neither was reducible to the other. Weber believed that political parties could be based on either classes or status groups, or factions of either, but that political success or failure was not governed entirely by the strength of parties' bases because much depended on the political skills of the movements' leaders.

Whether it is possible and, if so, whether it is useful to distinguish class from status is an issue that intrigues some specialists in class analysis but can be relied on to turn-off any wider potential audience. Tak Wing Chan and John Goldthorpe (2004) show that there is a status hierarchy in Britain, with people's positions indicated by the occupations of their closest friends, and that while this status hierarchy is related to class positions, there are variations of status within classes. Moreover, they show that status (as measured by themselves), is superior to their class measurements in predicting people's preferences as regards music to listen to and newspapers to read. Hence their case for keeping class and status separate. The contrary view is that, in everyday real life, class and status differences are fused together when people judge who are their equals, who is above and who is beneath them in the social hierarchy (see, for example, Bottero, 2005). This argument is an example of what Rosemary Crompton (1998) calls pseudo-debates in class theory, because it is possible for both sides to be correct in their own arguments.

Nowadays sociologists can qualify for the neo-Weberian tag in many different ways. It may be their interest in market processes and outcomes. It may be their identification of class divisions among workers. It may be because they do not prioritize any, but recognize many factors (jobs, education, and housing, for example) as helping to fix individuals' positions in the system of stratification (see Box 1.1). Or it may be because they focus on status, probably, in practice, the prestige attached to occupations (though this is not what Weber himself meant by status), when measuring class. Indeed, any non-Marxist, non-functionalist (see below) sociology is liable to be labelled as neo-Weberian.

Box 1.1 Social stratification and social divisions

Social stratification is the most all-embracing term used in sociology when analysing inequalities. There is a deliberate geological analogy (which should not be taken too literally) – strata of rock (people) lying on top of one another.

All known societies have been stratified, and sociologists have identified different types of stratification systems – slavery, estates, castes and the class systems of modern societies. Weber introduced a further distinction between class and status. Class systems are different from the types of stratification that existed in earlier societies.

- First, classes are relatively open, meaning that mobility is possible (and quite common).
- Second, classes have an economic base (how we earn our livings) rather than being based on law or religion. So mobility does not require legal verification, or a religious ceremony, or the permission of one's owner: people simply change their jobs.

Social division is an even more all-embracing term. Here the groups may exist in parallel rather than above and beneath each other. Stratification is just one possibility: one of many types of social division. Sociologists usually speak of gender and ethnicity as bases for social divisions. The extent to which one group (a sex or ethnic group) is above others, and how class, gender and ethnic divisions interact, then become matters for research and debate (as we shall see throughout the following chapters).

Functionalism

This theory was popular and influential in mid-twentieth century North American sociology. It explains social practices in terms of the functions that they perform for their wider societies. So functionalists have argued that social stratification is functional. They claim that inequalities motivate people with the required talent to compete to enter, then to perform as effectively as possible in, important positions. They also argue that inequalities help to integrate societies by affirming the importance of well-rewarded positions, and expressing the wider society's approval and gratitude to the incumbents.

Nowadays full-strength functionalism has few, if any, supporters in sociology. The criticisms have been devastating. Functionalism confuses effects with causes. As regards stratification, it has been counter-argued that, rather than integrating society, inequalities are just as likely to provoke conflict. Also, inequalities can obstruct the ascent of talent to important positions. However, functionalism still reigns in everyday commonsense and economic theory. It is said that the higher earners must remain so, or become even better paid, in order to keep them in their jobs, and that the rewards that they receive are necessary compensation for the effort, training or responsibility, and no more than commensurate with the value of their work to society. Market processes,