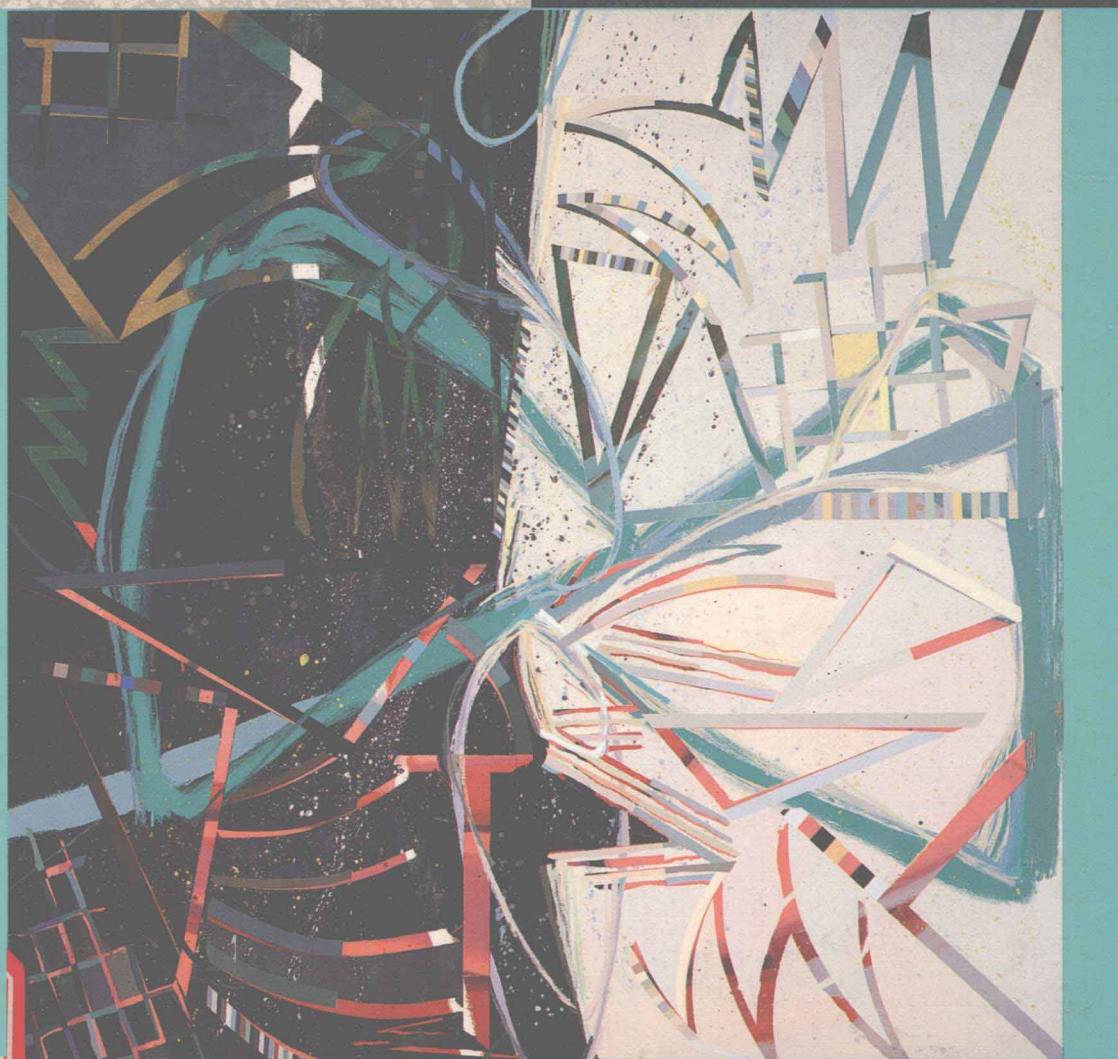


THIRD  
EDITION

# SOCIAL INEQUALITY

FORMS, CAUSES, AND CONSEQUENCES



CHARLES E. HURST

**SOCIAL INEQUALITY**  
**FORMS, CAUSES, AND CONSEQUENCES**  
**THIRD EDITION**

**CHARLES E. HURST**  
*The College of Wooster*

**ALLYN AND BACON**  
*Boston • London • Toronto • Sydney • Tokyo • Singapore*

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*To Mary Ellen  
with love always for who you are*

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## PREFACE

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It seems that every day there are stories in the news about earning declines, worker layoffs, racial problems, sexual discrimination, or increasing child poverty. We are surrounded by issues of social inequality that seem inescapable. In many ways, the problems of inequality are even more pressing today than they were only a few years ago when the second edition of this book was written. The number of poor has jumped at the same time that the number of millionaires has increased. Welfare policy is under attack and there is no clear, unanimously accepted alternative to the present course. International competition, corporate outsourcing, and the quest for corporate efficiency have left increasing numbers of middle-class people unemployed or in new temporary positions. Racial and ethnic tensions have resurfaced with new vigor as people compete for a better life in a society in which the distant but strong glow of the American dream has dimmed. Women continue to push for greater equality in earnings and occupational opportunities. The problems of inequality have created a crunch time for many. At the same time, these people are aware that they are often measured by what they possess and how much money they have. It is a sign of the power of inequality as a measure of worth in our culture when a popular, wealthy author such as Tom Clancy can pass a negative judgment on Congress by commenting that "if \$120,000 a year is the best job you've ever had, you haven't really done much" (*Newsweek*, July 12, 1993, p. 15).

Like the previous editions, this book is intended as an introduction to the study of social inequality. It is based on the assumptions that (1) social inequality is multidimensional; (2) theoretical understanding is necessary to be successful in grappling with inequality's undesirable consequences; (3) couching a discussion of inequality in its broader historical and social-structural context provides a fuller understanding of inequality's nature and role in society; and (4) an evenhanded approach covering the gamut of perspectives on inequality is most appropriate, especially for undergraduates being exposed to this material for the first time. My goal is to convey, simply but as compellingly as I can, a sense of the pervasiveness and extensiveness of social inequality, how it affects all of us, how it can be explained, and what is being done about it.

Following advice from students as well as colleagues, I have made a number of basic changes in this third edition that I hope will make the discussions clearer, more compelling, and relevant. I have taken to heart the counsel of several anonymous reviewers who, in one way or another, advised me to make the text more engaging for undergraduate students. I have tried to do that without sacrificing the richness of content. To further ensure this, I have gone over the entire text and also asked student sociology majors to read through the entire text and make detailed comments on each chapter. Although the core emphasis on theoretical understanding and current data in the text remain, several changes distinguish this edition from earlier ones. Most of the changes take into consideration the students who will be reading the text.

1. I have rewritten several sections of the book and added new elements aimed at encouraging students to think seriously about inequality issues and to help them identify with the problems of inequality in their everyday lives. For example, in most

chapters, there are points at which students are asked to put themselves in the place of those being discussed or to think about the implications of their own family's socio-economic position.

2. Many of the chapters are supplemented with brief current articles from newspapers (or Nutshells, as I call them), each of which relates a story on a current issue in social inequality.
3. I have added Critical Thinking questions at the end of each chapter, which, again, are aimed at drawing students into discussions of the issues.
4. I have included a Glossary of Basic Terms at the end of the text to enable students to more easily review the meaning of basic concepts.
5. To make the text more thorough in its coverage of issues, I have added new material on methodological and conceptual issues, downward mobility, welfare policy and dependency, and the effects of segregation. Statistics in most tables have been updated, and evidence from new research studies has also been added.
6. I have simplified and tightened much of the writing to eliminate redundancy and to increase clarity. For example, I have reconstructed several of the causal models to reflect more accurately the connections among variables and to make them more understandable for students. With understanding in mind, I have also converted several of the data tables to graphs so that differences and trends can be seen more easily.
7. Since many of the contemporary theories of racial and gender inequality are based on classical and broader explanations of inequality, I have put the two chapters on general theories at a point immediately preceding the chapters on race and gender. This should make the explanations that appear in the latter chapters more understandable. I have also moved the section on castes in India to Chapter 9, U.S. Inequality in Comparative Perspective.
8. I have written an Instructor's Manual/Test Bank to accompany this edition. This manual includes teaching tips; suggested films; multiple-choice, true/false, and essay questions; and class exercises.

After an introduction to some core issues, the book is divided into three major sections. The first of these addresses the *extent* of inequality in its many dimensions: economic, status, gender, racial/ethnic, political, and comparative. Part One also incorporates a wide variety of *explanations* for these forms of inequality. These theories come not only from sociology but also from anthropology and economics, and include conservative, liberal, and more radical perspectives. Part Two shows how inequality affects our personal lives as well as society. The *effects* of inequality reach inwardly into our most private mental and physical selves as well as outwardly into cultural and social conditions in society. The health of the individual and the stability of society are both affected by the system and process of inequality. Having shown the impact of inequality in Part Two, Part Three addresses *stability* and *change* in the various forms of inequality. Understanding the social-psychological and institutional underpinnings of the system of inequality allows us to better account for its stability. The extent of social mobility also helps determine the degree of stability in the system now and in the near future. Research in the late 1980s and into the mid-1990s has contributed greatly to our understanding of how individuals change socioeconomic positions as they move through life. Attempts to redress inequities in the system (i.e., major social movements and governmental policies) are dealt with in

the final three chapters. This includes information about recent welfare reforms and prospects for their success.

Although any shortcomings in the book are my own responsibility, many strengths in this third edition are due to the efforts of others on my behalf. Karen Hanson, Jennifer Jacobson, and Sarah Dunbar at Allyn and Bacon have cheerfully given helpful advice throughout the tedious process of revision. I am also grateful for the open and constructive comments made by students in my social inequality course at The College of Wooster. They have helped me be more sensitive to the student point of view when reading a text. I especially wish to thank students Carrie Hicks and Chiaki Nakamura for taking time in the spring of 1996 to read through the entire text to give me systematic comments on each chapter. It is energizing to have students who are willing to share their refreshing ideas with a professor who has been at it for a long time. The support of this student help was underwritten by sophomore scholar funds at The College of Wooster. As studies of inequality demonstrate, having the money certainly provides one with opportunities and chances that would otherwise be missing. I am grateful for the College's assistance.

In addition to thanking my student commentators, I would like to acknowledge the following individuals who reviewed the manuscript for Allyn and Bacon: Mary L. Donaghy, Arkansas State University; Thomas H. Shey, California State University, San Marcos, and University of California—Riverside; and Jan Smith, Ohio Wesleyan University. They were extremely helpful in pointing out not only the strengths of the text but also the areas that needed improvement. I kept their reviews in front of me as I worked through this new edition and incorporated many changes that reflect their comments. I have also been aided by sporadic but specific comments from colleagues using the book at other schools. Finally, I am indebted to my wife, Mary Ellen, for her moral support and suggestions, for her help in the laborious task of physically preparing the manuscript, but most deeply for continuing to be a source of inspiration and for fighting the good and seemingly endless fight in assisting those in need as a hospital social worker.

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## AN INTRODUCTION TO THE STUDY OF SOCIAL INEQUALITY

*It can be argued that the debate over social inequality formed the basis for the emergence of sociology as a modern discipline.*

—Bryan S. Turner

Not too long ago, a student approached me to say how much she resented her wealthier acquaintances. What upset her was not merely the BMWs and Acuras some of the students drove, or the quality of their clothes, or their expensive computers, but the fact that they had not really earned these things; rather, they had been given to them by their parents. She herself had grown up with working-class parents who lived on a farm and who did not particularly value a seemingly non-practical liberal arts education. She had been taught that one had to work for and earn the kinds of goodies other students had in abundance. This experience is not an isolated one. Over the years, knowing of my interest in social-class issues, numerous students have spoken to me about their discomfort of being at an elite liberal arts college where the fees are well above \$25,000 per year. Some learn to accommodate themselves to their unusual and somewhat foreign situation, while others continue to wrestle with their marginality among students who are better off than they are, and some simply transfer to another school.

The same experience is felt by some faculty whose backgrounds are dissimilar from those of their colleagues and many of the students they teach. Recently, I interviewed faculty at several

highly selective liberal arts colleges. Some expressed their lack of ease, even though they had been at their institutions for years. One, for example, who came from a background where his father had not graduated from high school and had worked in a factory, told me, “I have always felt a little bit of an outsider to the general social class here, certainly the students.” He went on to say that he “felt sort of intimidated.” Keep in mind that these feelings were expressed by a full professor with a Ph.D. in a natural science—not a person one would expect to have a shaky sense of self-confidence. The theme of not fitting in or being unsure of oneself occurred often among the faculty I interviewed whose class origins were below the middle. Consider your own situation. Imagine that you had come from a family of noticeably different wealth or from a different region or nationality, or that you were of a different race or sex. How would your experiences, perceptions, and opportunities be different?

Inequality is present and affects us at all stages of our lives. Think of your own experiences. Even when young, we hear people speak of others as being from the “wrong side of the tracks,” as being not “our kind,” as being “above” or “below” us. We hear about racism and sexism. As youths,

we notice that because of the way others dress, where they live, and who their parents are, some are treated differently and have greater opportunities than others. We are also smart enough to see that there are class differences associated with different neighborhood elementary schools. If we are from a working-class family and attending an expensive college, we notice with wonder the BMWs, Jeeps, and racks of Canondale mountain bikes. We see the players in pick-up football games wearing Polo and Hilfiger shirts showing little concern if their clothing gets ripped or stained. We know that there is a difference between those who shop at Kmart and those who frequent Saks or Lord & Taylor. If we are from a more fortunate class, we see corresponding differences—of those who do not dress or live as well as we. It is not hard to notice when driving through town that some neighborhoods are not as well maintained as others, evidenced by garbage strewn around the sidewalks or dirt yards.

The statistics confirming this inequality are extensive. Over 38 million people in the United States are poor by government standards, and over 15 million of these are children under 18 years of age. Hard work does not always lift the poor out of poverty, either. Some 5 million poor children live in homes in which at least one of the parents works full time all year. On the other hand, those at the very top of the economic ladder have done well. Wealth inequality has increased in recent years, so much so that the richest 1 percent of the population owned 42 percent of all wealth in 1992. *Business Week* reported that in 1995, the average chief executive officer's (CEO's) pay was 141 times that of the average factory worker. The 1995 average total pay of CEOs, including all kinds of compensation such as stock options, was \$3,746,392 (Byrne, April 22, 1996, pp. 101–103). Many social, political, and economic forces are behind these statistics, and we will explore them later.

Also behind the statistics are the faces of real individuals whose lives have been drastically affected by those forces over which they have little immediate control. Consider the Schabows and the Bartelles, two hard-working couples caught on the

treadmill of trying to keep up. Lawrence Schabow has worked as a truck driver for a firm that was bought out by a larger company that proceeded to cut wages and insurance benefits for its employees. In 1996, he earned 22 percent *less* in real terms than he did in 1983, and he had to pay for his own eye and dental insurance. Despite working full time, the family could not pay their debts and had to enter bankruptcy in 1992. Lawrence's own conclusion? "I'm supporting us and our three kids and going under more and more every week" (Bernstein, February 26, 1996, p. 91).

Ernst and Anna Bartelle, both of whom are Mexican American, find the going tough as well, even though both of them work. They want the best for their children and they pay a psychological price for not being able to give it to them. Ernst confided, "And that's what hurts. The kids know it. In their minds, when the kids are gone, it's going to be, 'Oh, the parents were always scratching and scraping.' That's a hell of a legacy to leave them." In the past, Anna blamed Ernst for not being able to find a well-paying job. But now she feels that they have really been like hamsters on a wheel, running and working hard but getting nowhere (Schwarz and Volgy 1992, pp. 25–31).

Or consider Derrick White, a young African American living in an 850-square-foot apartment with his mother and five half-siblings in the Hurt Village housing project in Memphis (Kilborn 1993). Derrick's mother, one of 18 children born to a maid and sharecropper in a small Arkansas town, had worked full time until Derrick's birth, and is now working toward her high school degree. Presently, the family relies heavily on welfare for income. A quiet, unassuming person, Derrick graduated third among the boys in his high school, but has been in and out of college because of financial problems. He would like to be a doctor because he could then help people and make enough money to help his mom, his church, and his children when he has them. His mother supports his efforts and believes in pushing children to do their best. Derrick figures he can make it by "'getting people behind me' and playing by the rules."

Joan Leahy, a working-class resident of “Cityville,” a densely populated city outside Boston, has applied for entrance into a top-notch private university that is close by, but has decided that she will not go because she feels that she would not fit in with the types of students she thinks she would find there (Steinitz and Solomon 1986). She says she hates “snobs.” She feels that those who have money are better off in a variety of ways. “If you’ve got money, you’ve got a lot better chance at getting ahead. Your father or your relations back you.” But Joan is still confident about her own prospects. “And if you *don’t* have money and connections, well—I’m not going to be a failure. I’ll be a success to myself!” Despite their belief in the advantages of the rich, these working-class people believe in the value of hard work and individual effort.

The injurious impact of inequality is not confined to the working class and poor, however. In recent years, the effects of social and economic forces pushing people into different economic circumstances have been increasingly felt by those in the white-collar ranks as companies downsize to meet competition and maintain profits. Steven Holthausen, once a bank loan officer, is now a tourist guide because his job was eliminated in 1990. Since then, his wife has left him and his children avoid him, blaming him for his economic decline. He also feels he has lost respect in the community. While part of his anger is directed at himself, he also blames the company and the government for his predicament. “The anger that I feel right now is that I lost both my family and my job. That is not where I wanted to be at this point in my life” (Uchitelle and Kleinfeld, March 3, 1996). Unfortunately, Steven’s story is not unique. We have all seen the lists of 1990s layoffs prominently laid out in newspapers: 50,000 at Sears Roebuck, 123,000 at AT&T, almost 19,000 at Delta Air Lines, nearly 17,000 at Eastman Kodak, 11,000 at Tenneco, and so on. Many of the 36 million jobs eliminated from 1979 to 1993 involved white-collar workers.

The streamlining and downsizing of businesses have left millions of experienced, special-

ized workers with temporary part-time jobs or without jobs, and frequently the immediate response is like that of Edoardo Leoncavallo, a middle-aged recently unemployed architect who knows the family problems that result from downward mobility: “I think my wife initially felt resentment. I think she felt, Why can’t you bring home the bacon?” (Labich 1993, p. 42).

### SOME CONTROVERSIAL ISSUES OF SUBSTANCE

Inequality and its effects are all around us. Consider the feast of inequality’s impact one is likely to see during a lifetime involving differences in possessions, places, wealth, experiences, bodies, races, genders, and power. The extensiveness of it is almost overwhelming. And yet, there is a great deal of controversy about social inequalities. Are social inequalities inevitable, especially in a capitalist society that stresses competition and individual success? Why do some have more than others? Is this natural or unnatural? Are Steven and the Bartelles right in having doubts about their own abilities and then turning blame on themselves if they do not succeed? Does hard work always pay off or are the positions that people occupy due largely to factors having little to do with personal motivation and effort? Are Derrick and Joan right in placing such importance on their own efforts or are they likely to be disappointed? Can inequality be lessened or not? Are economic and other resources becoming more or less equally distributed in the United States? Is inequality really a social problem? Is it desirable or not? Do we really have classes in the United States or merely individuals and families who happen to have different amounts of scarce resources? Can equality in political power exist even if economic resources are distributed unequally? Or does the Golden Rule operate—those with the gold rule? These are among the most intriguing and consequential of the questions that have been raised in the study of social inequality. We now examine some of these in more detail.

## Is Inequality Inevitable?

Perhaps the most basic issue relates to the inevitability of inequality. It is important to clarify that reference is being made here to institutionalized rather than individual inequality (i.e., structured inequality between categories of individuals that are systematically created, reproduced, legitimated by sets of ideas, and relatively stable). We would not be studying this phenomenon if it was not a prominent feature of contemporary society with significant consequences. To ask whether it is inevitable is to address discussions of its origins (i.e., whether it is caused by natural or artificial factors). If social inequality is directly linked to conditions inherent in the nature of groups of individuals or society, then little might be expected to eliminate it. On the other hand, if such inequality arises because of the conscious, intentional, and freely willed actions of individuals or the structures they create in society, then perhaps it can be altered.

One side argues that inequality is always going to be present because of personal differences between individuals. If there is an open society and if people vary in their talents and motivations, then this would suggest that inequality is inevitable, a simple fact of society. "Some inequalities come about as a result of unavoidable biological inequalities of physical skill, mental capacity, and traits of personality" argued Cauthen (1987, p. 8) in his treatise on equality. Some early philosophers also argued that there are "natural" differences between individuals, and some people, in fact, still maintain that there are differences of this type separating the sexes, resulting in the inevitability of inequality. Aristotle took the position that "the male is by nature superior, the female, inferior; and the one rules, and the other is ruled" (in Kriesberg 1979, p. 12). More recently, Goldberg (1973, p. 133) argued that male dominance and higher achievement are probably inevitable because of the biological differences that he says exist between males and females. An unbroken thread running through several of the vignettes at the beginning of the chapter is the belief that it is

differences in individuals that account for inequality between persons. These and other explanations of inequality will be discussed in detail later.

Other theorists have argued that inequality is inevitable because as long as certain kinds of tasks are more necessary for the survival of the society than others, and as long as those able to perform those tasks are rare, social inequality of rewards between individuals is needed to motivate the best people to perform the most difficult tasks. Under these conditions, the argument goes, inequality cannot be eradicated without endangering the society.

On the other side of the fence are those who argue that economic inequality is largely the by-product of a system's structure and not the result of major differences in individual or group talents, characteristics, and motivations. Rousseau, for example, linked the origins of inequality to the creation of private property (Dahrendorf 1970, p. 10). It is the characteristics of the political economy and the firms and labor markets within it that are primary determinants of differences in income and wealth. Where a person works and in what industry have a major effect on income. Certainly, the job changes resulting from downsizing would suggest this. Essentially, then, this argument states that it is not human nature and individual differences but rather structural conditions that determine where an individual winds up on the ladder of economic inequality. Discrimination is another of those conditions. "The theories that say... that women are 'naturally' disadvantaged are of use to those who want to preserve and strengthen the dominant political and economic interests.... Contrary to the claims of biological determinists, studies of the contributions that biological factors make to human behavior can at most give only very limited information about the origins of present differences in human behavior and probably no information about the origins of present social structures" (Lowe and Hubbard 1983, pp. 55–56).

Clearly, both Steven Holthausen and the Bartelles suspect that their situations may be at least partially determined by forces beyond their con-

trol. If the conditions that generate social inequality are artificial creations of human actions, then they can be changed, and economic inequality is not inevitable, nor is it necessarily beneficial for the society and all its members. We will examine this controversy more thoroughly in later chapters.

### Is Inequality Increasing or Lessening?

Another issue revolves around whether socioeconomic differences between classes, races, and the sexes are increasing or decreasing. One position is that the United States is largely a middle-class society and that government exerts pressure to limit the growth of the upper class's wealth, while at the same time it aids the lower classes through various social programs. The result is a *structural* tendency for most groups to move toward the middle—a class system with an ever-increasing bulge in the middle. This argument is related to the classlessness position in that if, ultimately, the pressure results in a largely middle-class society or middle mass, then in effect there is virtually only one large class. In cultural terms, this argument says that all classes are moving in the direction of the same values, and specifically, that lower classes adopt the values of those above them. This has been particularly stressed in some discussions of the working class, which, it is said, takes on the values of the middle class as its economic fortunes improve.

Another version of this homogenizing scenario suggests that race may be becoming less important as a determinant of life chances and that the differences between the races are diminishing. In fact, it is suggested class differences within racial groups may be more significant than those existing between such groups. Similarly, as women have moved increasingly into the labor market, their status has moved closer to that of men, and many argue that women have made great strides in reducing the socioeconomic differences between themselves and men.

In sharp <sup>contrast</sup> to these images of decreasing differences and merging groups, others have argued that

polarization is occurring with respect to the social classes, with the gap between the top and bottom increasing. They cite the number of poor, homeless, and an “underclass” as evidence for this trend, along with changes in governmental tax and poverty policies. In essence, they are saying that the rich are getting richer and the poor poorer. The same general kind of argument has been made regarding race and sex, stating that not only have race and sex continued to be important determinants of life chances but also there has been little reduction in the extent of differences that exist between the races and sexes in the United States. We will examine these issues closely in the next and succeeding chapters. If what is happening to Steven Holthausen and the salaries of chief executive officers is fairly typical of what happens to many as the economy shifts, then perhaps the gap is increasing between the top and the bottom. On the other hand, if African Americans and women are breaking through the walls of discrimination and moving up, then perhaps some of the gaps are closing. We shall see.

### Equality or Inequality: Desirable or Undesirable?

A variety of studies have asked Americans how they feel about equality and inequality, and it is clear that they are ambivalent in their feelings. In some ways, they are attracted to equality; in other ways, they view inequality as justified.

Part of the problem here is that people think about different things when they think about inequality, and people feel differently about different kinds of equality/inequality. Moreover, there are numerous inequalities/equalities; thus, the meaning of equality/inequality is not self-evident. “Trying to think clearly about equality,” wrote Cauthen (1987), “is indeed like being tossed naked into a tangled thicket in the midst of a briar patch” (p. 2). For example, Bryan Turner (1986) cited four basic kinds of equality: (1) that pertaining to all as basic human beings—that is, the notion that basically we are all the same and equally

8 { worthy as persons; (2) equality of opportunity—the idea that access to valued ends is open to all; (3) equality of condition—that is, that all start from the same position; and (4) equality of results or outcome, or equality of income. The latter is the most radical of the four and the one most likely to incite controversy.

Studies suggest that most Americans are against limiting the amount of income an individual can make, but at the same time they feel that many in high-paying occupations receive more than they deserve (Kluegel and Smith 1986). Americans feel quite differently about equality of opportunity than they do about egalitarianism, and groups feel differently about the fairness of the system. A study of over 2,700 leaders in various areas, for example, showed that they feel any fair distribution of goods should be based on equality of *opportunity* rather than equality of *result*. At the same time, however, African American and feminist leaders are much less likely to consider the free enterprise system fair, and are more likely to consider poverty to be caused by problems in the system rather than by deficiencies in the individual (Verba and Orren 1985). We will examine the tangle of American beliefs about inequality and its fairness more fully in Chapter 13.

### Are There Classes in the United States?

The economic differences that exist between families and individuals can be easily recognized, but does that mean that social classes exist in the United States? There is much to discourage the belief in classes. The value system stresses individualism, liberty, and equality. The belief in individualism and liberty would work against the development of stably reproduced social classes in the United States. Following these values, it is inconsistent to have group inequalities in which a person's fate is largely determined by the group to which he or she belongs, nor is it legitimate to have individual liberty curtailed by the application of structural constraints (e.g., laws, admission requirements) to some groups and not others. Finally, the value of equality—that we are

all one people, that, underneath, U.S. citizens are all “common folk” without formal titles (e.g., duke, lord)—helps to reinforce the basic notion that all Americans are equal.

In addition to some central U.S. values, other conditions moderate the belief in the existence of classes. First of all, as we will see later, there is a great deal of disagreement about the definition of social class. This lack of agreement in conceptualization makes it more difficult for there to be agreement on the existence of classes. Second, the lack of belief is further strengthened by the fact that in contrast to race and sex, there are far fewer reliable and clear-cut physical clues to class position. Walking down the street, it is much easier to tell accurately if someone is Black or White and male or female than it is to tell what class he or she is in. Class is often invisible, and therefore we seem to be less often confronted by it. People do not always wear their class positions on their sleeves, so to speak. Think about it: Can you reliably and accurately tell the class positions of your classmates simply by their appearances?

Third, this very invisibility makes it much easier to create and manipulate ideas about the existence of classes in society. It is much easier to say that classes simply do not exist. Finally, the increasing concern for privacy and personal security in U.S. society, which isolates people from each other, enhances the belief in the absence of classes. It is hard to recognize classes and the predicaments of others if we live in shells. In this view, individual differences in wealth may exist, but basically Americans are all the same and equally worthy, and classes based on group or categorical differences do not exist. Any individual differences in wealth would be viewed as a continuum along which all individuals and families could be located. Here, the image of a system of inequality is one of a tall but narrow ladder. Discrete, wide, separate layers would not be a part of this perspective.

In fact, some social theorists have argued that the term *social class* has no relevance for the United States, at least in its Marxian definition. Social classes, as unified class-conscious groups

with their own lifestyles and political beliefs, do not apply to the United States in this view, whereas they may still fully apply to European countries that have a tradition of class conflict. Frequently, part of this position is the conviction that there are differences in lifestyle and status between different occupational groups, but these differences are not class based. Much of the traditional research in the field of inequality, in fact, has focused on social lifestyle differences between groups rather than on economic-class differences. The focus of research is, of course, conditioned by the historical context in which it occurs, the cultural milieu, and the events of the times. As we shall see, this is clearly the case in U.S. research on social inequality.

One position, then, is that social classes as full-fledged groups antagonistically related to each other do not fit the U.S. condition today. Others suggest, however, that fairly distinct classes exist at the extremes of the inequality hierarchy but not in the middle, which is considered largely a mass of relatively indistinguishable categories of people. A third position is that distinct classes have always existed and continue to exist in the United States, and that *class* conflict has not been absent from its history and continues to this day. Joan Leahy, the young woman cited earlier, seems to feel that there are clear class differences between categories of people. Moreover, distinct disparities in the incomes of those in different occupational categories would appear to reinforce the notion that classes exist in the United States.

### Capitalism versus Democracy

Do economic and political inequality necessarily go together? The *economic* system of capitalism has been linked to the *political* system of democracy in both a positive and negative manner (Almond 1991). It has been viewed as a determinant as well as an enemy of democracy. Can capitalism and democracy effectively coexist? Pure capitalism demands that markets be open and free and that individuals be able to freely pursue their economic goals, competing with others within

the broad framework of the U.S. legal system. Capitalism's ideal conditions assume equality of opportunity, regardless of sex, race, or any other categorical characteristic. Presumably, individual talents and motivations are the prime determinants of how far a person goes in the system. This is how many would explain the high executive salaries noted previously. "My view of executive compensation is like all compensation, it's market driven. The company pays what it has to pay to recruit and retain a person. . . . A person is worth what the market is willing to pay for him" said Charles Peck, an analyst for The Conference Board (in Gladstone 1988, p. 4). A system like this presumably would result in the best people being in the highest positions, with the consequence being an efficiently run economy. But if this type of competitive capitalism operates in the United States, then economic inequality is unavoidable, since the talents and motivations of individuals and supply and demand for them vary. There is a potential for economic concentration under these circumstances, with a few having much while many may have little.

Alongside this capitalistic economic system exists a political democracy in which everyone is supposed to have a vote in the running of the government. One person, one vote is the rule. Equality of result is expected in the political arena in the sense that power should be equally distributed. The question is: Can equality of political power and inequality in economic standing exist at the same time? Or does economic power lead to inordinate, unequal political power, thereby making a mockery of political equality? Joan Leahy appears to believe that there is a link between money and political connections. Can open economic capitalism and political democracy coexist? John Adams, one of the Founding Fathers of the United States, expressed concern that "the balance of power in a society accompanies the balance of property and land. . . . If the multitude is possessed of the balance of real estate, the multitude will have the balance of power and, in that case, the multitude will take care of the liberty, virtue and interest of the multitude in all acts of government