Lecture Outline

I. Where does Inequality Come From?
II. Individual Centered Approach.
III. Institutional Centered Approach.
IV. Duality Approach.
I. What is Inequality?


B. Lecture 7 reviewed data showing:
   1. U.S. more inequality other Industrial countries.
   2. Differences in income, wealth, etc.
   3. Inequality increasing since 1970’s
II. Individual Centered Approach
Explanations--Why so much Inequality?

A. The Self made Self.
Individuals Make their Own Lives
- Individuals Make Choices
- Individuals Have Abilities/Resources
- Competition Between Individuals
- The Best
  (e.g., Brightest, Hardest Working, Most Moral, etc.)
Succeed
B. Americans believe this strongly.

"America is the land of opportunity where everyone who works hard can get ahead." 70%

"People who grew up in poor families have an average or better than average chance of getting ahead." 67%

"People who grew up in working class families have an average or better than average chance of getting ahead." 90%
C. Historical Approaches to Individual Centered Explanations:

• 1. Herbert Spencer (1820-1903) British “Social Darwinism”
   Poverty is nature's way of "excreting... unhealthy, imbecile, slow, vacillating, faithless members of society" in order to make room for the "fit."

• Wealth & poverty reflect genetic abilities.

• Evolutionary responsibility to insure the less capable don’t reproduce (poverty relief is a moral & scientific sin).
C. Historical Approaches to Individual Centered Explanations:

2. America an especially individual centered country

- No Aristocracy or other vestiges of traditional Privilege
- Founded on belief in “Freedom” from State Oppression
- “Spirit of Capitalism” foundational (Benjamin Franklin)
C. Historical Approaches to Individual Centered Explanations:

3. Frederick Jackson Turner (1861-1932): American Historian
   “The Significance of the Frontier in American History” (1893)

• The American Frontier was essential to molding the American character and creating strong, capable individuals, responsible for their own fate.
C. Historical Approaches to Individual Centered Explanations:

   • Wrote stories about poor boys who manage to: “Pull themselves up by their own bootstraps”. Contributes to strong individual centered explanations for wealth. (People believe strongly that these stories told the real story of America).
4. Horatio Alger Stories, (Anyone, no matter how poor...)
   - ambition,
   - hard work,
   - ingenuity,
   - talent,
   - intelligence (IQ),
   - motivation,
   - industriousness, etc.
   - luck!
D. Contemporary Approaches to Individual Centered Explanations:


“Cognitive Elite Theory”
- IQ is basis for Social Stratification.
D. Contemporary Approaches to Individual Centered Explanations:

Based on data analysis of survey data
(strong association between measure of intelligence and later success/failure in life).

Critiqued by Fischer, et. al. (Today’s Reading):

- Intelligence "g"–1 dimension or many?
- Ability to Rank People linearly is fallacious.
- No relationship IQ and later success
  (once you control for education).
- More useful to know class situation of origins
- Much evidence that poverty varies by social policy.
D. Contemporary Approaches to Individual Centered Explanations:

2. Gary Becker (1930-): Economist

• Human Capital theory.
• People are rational individuals, smart ones invest in abilities, proper pay results.
2. Gary Becker:

• Capital (Productivity) = Education, Training, Skills, Job Experience.

• Cost of Capital ($, Time, Energy) Determines Price of labor (Job income).

Individual --> Capital --> Job (Income)

Ex.:

MDs + Training/+ $  
Janitors - Training/ - $
2. Gary Becker:

Worker's Capital = Self-Investment.
- Stratification System is a Rational Market.
- Individuals Responsible for their Own Worth.
- Income Structure Reflects Human Capital Structure
2. Gary Becker:

Clearly Education, Skills, Job Experience DO pay off. (No disagreement there).

The **key sociological question** is how much does it make these factors into “choices” based on an “individual-centered” perspective, or does it see those factors that individuals have access to because of the way that they have been exposed to different kinds of opportunities, situations, and constraints that need to be explained from an “institutionally-centered” perspective.
E. Historical Approaches to Institutional Centered Explanations:

1. Institutional Centered Explanations:

- Various Types of Inequality Systems (Institutions)

- Slavery, Caste, Feudal, Class

- Modern Industrial Societies, huge variations in levels of inequality and theories about what should the society provide vs. what should the individual be responsible for.

- Also, what role should Govt. play in addressing inequality?
E. Historical Approaches to Institutional Centered Explanations:

2. Karl Marx (1818-1883): German Philosopher First Theorist of “Class” Analysis.

- Class defined as “Relations to the Means of Production”

- History is a succession of class struggles, eventually, thanks to capitalism, classes will no longer be necessary.
E. Historical Approaches to Institutional Centered Explanations:

2. Karl Marx.

(1) Groups (Classes) in Conflict Over Material Resources.

(2) Institutions Reflect Power of Dominant Class.

(3) Classes =
- Bourgeoisie--Buy Labor, Own Company
- Proletariat--Sell Labor for Wage
- Petite-Bourgeoisie--Own Company, Labor
- Managers (E.O. Wright)--Supervise Labor

(4) Conflict over Wages, Work Pace, Autonomy
- Bourg. Ideal = Full Work/Minimal Pay
E. Historical Approaches to Institutional Centered Explanations:

2. Karl Marx.

(5) Class Struggle:
- Dominant Class -- Uses Power to Influence Politicians, Media, Legal Rules, etc. to Shape Institutional Structures.
- Workers -- Seek to Counter-balance by: maintaining autonomy, slow-downs, collective resistance/bargaining

(6) Marx’s Predictions:
- Capital More Centralized
- Labor Increasingly Immiserated
- Irrationality of Competition will Increase
- Society will be torn by increasing inequality/irrationality
- Revolution will put an end to classes. e.g., Communism.
E. Historical Approaches to Institutional Centered Explanations:


- Instead of relations of production, argues for “status groups” as key to stratification.
- Focus on co-membership communities
- Shared identity, shared speech and dress and language.
F. Contemporary Approaches to Institutional Centered Explanations:


- “Cultural Capital”
  Familiarity with prestigious cultural goods, styles of speech, aesthetic taste, values and manners.

- One explanation for how status groups pass along advantages to their children (even in a society with strong and egalitarian public education system).
figure 1
estimated cumulative number of words parents of different social classes addressed to their children, from birth to age 3

Source: Adapted from Hart and Risley, Meaningful Differences in Everyday Experience of Young Children, Figure 19.
figure 2
number of different vocabulary words recorded for children of different social classes between ages 1 and 3

Source: Adapted from Hart and Risley, Meaningful Differences in Everyday Experience of Young Children, Figure 2.
F. Contemporary Approaches to Institutional Centered Explanations:

2. Fischer, Hout, etc. (Today’s Reading)

- Two Questions: (1) Who Gets Ahead?
  (2) What do they Get?

- Neither is best explained using individual centered explanations. Both need to be treated as institutions.
F. Contemporary Approaches to Institutional Centered Explanations:

2. Fischer, Hout, etc. (Today’s Reading)

(1) Who Gets Ahead?

- Class of the Family of Origin is the best predictor.
- Quality of education available.
- Culture and language use in the family
- Opportunities for learning
- Friends, relations, contacts
- role models, etc.
F. Contemporary Approaches to Institutional Centered Explanations:

2. Fischer, Hout, etc. (Today’s Reading)

(2) What do they Get?

• Huge Variability (time, societies).
• Institutional Rules about how money is allocated.
• Institutional Rules about how jobs are allocated.
• Institutional Rules about how taxes are applied.
• Institutional Rules about how unions are enabled.
F. Contemporary Approaches to Institutional Centered Explanations:

2. Fischer, Hout, etc. (Today’s Reading)

(3) Example of Elderly: Social Security and Medicare (almost) completely solved what had been a huge problem of elderly poor.
F. Contemporary Approaches to Institutional Centered Explanations:

Q1: Smarts, effort, skills matter? Yes, in Institutional Context
But more important are institutional factors that sort you into one class situation or another.

Class 1   Class 2   Class 3

Q2: Smarts, utility, efforts explain $ differences in class?
Yes (and no). Functional location in the economy explains access to $ but wrong to assume that a free market provides the right price. (Ehrenreich shows its not about effort).

Markets are very institutional, power and privilege are key.