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| 7 | SOCIAL CLASS ANDINEQUALITY IN THEUNITED STATES |

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p.155

IN THIS CHAPTER

[Stratification in Traditional and Modern Societies](https://jigsaw.vitalsource.com/books/9781506316628/epub/OEBPS/ch0007.xlink.xhtml#s1-1)

[Sociological Building Blocks of Stratification and Social Class](https://jigsaw.vitalsource.com/books/9781506316628/epub/OEBPS/ch0007.xlink.xhtml#s1-2)

[Class and Inequality in the United States: Dimensions and Trends](https://jigsaw.vitalsource.com/books/9781506316628/epub/OEBPS/ch0007.xlink.xhtml#s1-3)

[The Problem of Neighborhood Poverty](https://jigsaw.vitalsource.com/books/9781506316628/epub/OEBPS/ch0007.xlink.xhtml#s1-4)

[Why Do Stratification and Poverty Exist and Persist in Class Societies?](https://jigsaw.vitalsource.com/books/9781506316628/epub/OEBPS/ch0007.xlink.xhtml#s1-5)

[Why Study Inequality?](https://jigsaw.vitalsource.com/books/9781506316628/epub/OEBPS/ch0007.xlink.xhtml#s1-6)

**WHAT DO YOU THINK?**

**1.**   How equal or unequal is the distribution of income in the United States? What factors help explain income inequality?

**2.**   What explains the existence and persistence of widespread poverty in the United States, one of the richest countries on earth?

**3.**   Should the minimum wage be raised? What would be the costs of such an increase? What would be the benefits?

p.156

POVERTY AND PROSPERITY IN THE UNITED STATES

Melanie Stetson Freeman / Contributor/Getty Images

An article in a recent issue of *Bloomberg Markets* that reported on a growing demand among investors for trailer park properties in the United States profiled one such investor:

When Dan Weissman worked at Goldman Sachs Group Inc. and, later, at a hedge fund, he didn’t have to worry about methamphetamine addicts chasing his employees with metal pipes. Or SWAT teams barging into his workplace looking for arsonists.

Both things have happened since he left Wall Street and bought five mobile home parks: four in Texas and one in Indiana. Yet he says he’s never been so relaxed in his life....

[He] attributes his newfound calm to the supply-demand equation in the trailer park industry. With more of the U.S. middle class sliding into poverty and many towns banning new trailer parks, enterprising owners are getting rich renting the concrete pads and surrounding dirt on which residents park their homes.

“The greatest part of the business is that we go to sleep at night not ever worrying about demand for our product.... It’s the best decision I’ve ever made.” (Effinger & Burton, 2014)

The decline of the U.S. middle class has wrought substantial consequences for millions of families. It has also, as the *Bloomberg* article suggests, opened new opportunities for others, including members of the upper class. The economic position of the middle class, particularly its less educated fraction, has been slowly declining since the 1970s, a process accelerated by the economic recession of 2007–2010, the effects of which are still felt in many families and communities. At the top of the economic ladder, however, incomes have risen and fortunes expanded. These important changes in the U.S. class structure are of great interest to sociologists. Helping you to understand them is a key goal of this chapter.

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p.157

AP Photo/Ben Margot

In a protest against affirmative action in college admissions, a “diversity bake sale” held at a California college by the College Republicans set pastry prices by racial and gender group. The action provoked anger among those who argue that affirmative action is a means of ensuring equal access to educational opportunities. Interest has grown recently in focusing affirmative action policies on class rather than on race or gender. Is this likely to provoke controversy as well?

We begin this chapter with an examination of forms of stratification in traditional and modern societies, followed by a discussion of the characteristics of caste, social class, and stratification. Next, we look at important quantitative and qualitative dimensions of inequality and both household and neighborhood poverty in the United States. Finally, we discuss theoretical perspectives that consider the analytical question of why these economic phenomena exist and persist.

**STRATIFICATION IN TRADITIONAL AND MODERN SOCIETIES**

In the United States today, there is substantial social inequality—a *high degree of disparity in income, wealth, power, prestige, and other resources.* Sociologists capture the disparities between social groups conceptually with an image from geology: They suggest that society, like the earth’s surface, is made up of different layers. Social stratification is thus *the systematic ranking of different groups of people in a hierarchy of inequality.* Sociologists seek to outline the quantitative dimensions and the qualitative manifestations of social stratification in the United States and around the globe, but—even more important—they endeavor to identify the social roots of stratification.

Stratification systems are considered “closed” or “open,” depending on how much mobility between layers is available to groups and individuals within a society. Caste societies (closed) and class societies (open) represent two important examples of systems of stratification.

**CASTE SOCIETIES**

In a caste society *the social levels are closed, so that all individuals remain at the social level of their birth throughout life.* Social status is based on personal characteristics—such as race or ethnicity, parental religion, or parental caste—that are present at birth, and social mobility is virtually impossible. Social status, then, is the outcome of ascribed rather than achieved characteristics.

Historically, castes have been present in some agricultural societies, such as rural India and South Africa prior to the end of White rule in 1992. In the United States before the end of the Civil War in 1865, slavery imposed a racial caste system because enslavement was usually a permanent condition (except for those slaves who escaped or were freed by their owners). In the eyes of the law, the slave was a form of property without personal rights. Some argue that institutionalized racial inequality and limits on social mobility for African Americans remained fixtures of the U.S. landscape even after the end of slavery (Alexander, 2010; Dollard, 1957; Immerwahr, 2007). Indeed, enforced separation of Blacks and Whites was supported by federal, state, and local laws on education, family formation, public spaces, and housing as late as the 1960s.

Caste systems are far less common in countries and communities today than they were in centuries past. For example, India is now home to a rising middle class (see [Chapter 8](https://jigsaw.vitalsource.com/books/9781506316628/epub/OEBPS/ch0008.xlink.xhtml) for a fuller discussion of caste and class in India), but it has long been described as a caste-based society because of its historical categorization of the population into four basic castes (or *varnas*): priests, warriors, traders, and workmen. These categories, which can be further divided, are based on the country’s majority religion, Hinduism. At the bottom of this caste hierarchy one finds the *Dalits* or “untouchables,” the lowest caste.

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p.158

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In *Loving v. Virginia* (1967), the U.S. Supreme Court ruled unanimously that a law forbidding interracial marriage was unconstitutional. Richard and Mildred Loving, shown here, were married in the District of Columbia in 1958. Their arrest in Virginia, where they resided, prompted the case.

Since the 1950s, India has passed laws to integrate the lowest caste members into positions of greater economic and political power. Some norms have also changed, permitting members of different castes to intermarry. While members of the lowest castes still lag in educational attainment compared to higher-caste groups, India today is moving closer to a class system.

**CLASS SOCIETIES**

In a class society *social mobility allows an individual to change his or her socioeconomic position.* Class societies exist in modern economic systems and are defined by several characteristics. First, they are *economically based,* at least in theory—that is, class position is determined largely by economic status (whether earned or inherited) rather than by religion or tradition. Second, class systems are *relatively fluid*: Boundaries between classes are violable and can be crossed. In fact, in contrast to caste systems, in class systems social mobility is looked at favorably. Finally, class status is understood to be *achieved rather than ascribed*: Status is, ideally, not related to a person’s position at birth or religion or race or other inherited categories, but to the individual’s merit or achievement in areas like education and occupation.

As we will see in this chapter, these ideal-typical characteristics of class societies do not necessarily describe historical or contemporary reality, and class status can be profoundly affected by factors like race, gender, and class of birth.

**SOCIOLOGICAL BUILDING BLOCKS OF STRATIFICATION AND SOCIAL CLASS**

Nearly all socially stratified systems share three characteristics. First, rankings apply to social categories of people—that is, to *people who share common characteristics without necessarily interacting or identifying with one another.* In many societies, women may be ranked differently than men, wealthy people differently than the poor, and highly educated people differently than those with little schooling. Individuals may be able to change their rank (through education, for instance), but the categories themselves continue to exist as part of the social hierarchy.

Second, people’s life experiences and opportunities are powerfully influenced by how their social categories are ranked. Ranking may be linked to achieved status, which is *social position linked to a person’s acquisition of socially valued credentials or skills,* or ascribed status, which is *social position linked to characteristics that are socially significant but cannot generally be altered (such as race or gender).* While anyone can exercise individual agency, membership in a social category may influence whether an individual’s path forward (and upward) is characterized by obstacles or opportunities.

The third characteristic of a socially stratified system is that the hierarchical positions of social categories tend to change slowly over time. Members of those groups that enjoy prestigious and preferential rankings in the social order tend to remain at the top, though the expansion of opportunities may change the composition of groups over time.

Societal stratification has evolved through different stages. The earliest human societies, based on hunting and gathering, had little social stratification; there were few resources to divide, so differences within communities were not very pronounced, at least materially. The development of agriculture produced considerably more wealth and a consequent rise in social stratification. The hierarchy in agricultural societies increasingly came to resemble a pyramid, with a large number of poor people at the bottom and successively smaller numbers in the upper tiers of more economically advantaged members.

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p.159

**FIGURE 7.1 Class in the United States (Gilbert-Kahl Model)**

SOURCE: Gilbert, D. L. (2011). *The American class structure in an age of growing inequality.* Thousand Oaks, CA: Pine Forge.

Modern capitalist societies are, predictably, even more complex: Some sociologists suggest that the shape of class stratification resembles a teardrop ([Figure 7.1](https://jigsaw.vitalsource.com/books/9781506316628/epub/OEBPS/ch0007.xlink.xhtml#fig7.1)), with a large number of people in the middle ranks, a slightly smaller number of people at the bottom, and very few people at the top.

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How would you define the U.S. middle class? Is the definition used by the White House Task Force on the Middle Class too broad or not broad enough? Should aspirations or achievements be the foundation of a definition of a socioeconomic class?

Before we continue, let’s look at what sociologists mean when they use the term *class.*Class refers to *a person’s economic position in society, which is associated with income, wealth, and occupation.* Class position at birth strongly influences a person’s life chances, *the opportunities and obstacles the person encounters in education, social life, work, and other areas critical to social mobility.* Social mobility is *the upward or downward status movement of individuals or groups over time.* Many middle-class Americans have experienced downward mobility in recent decades. Upward social mobility may be experienced by those who earn educational credentials or have social networks they can tap. A college degree is one important step toward upward mobility for many people.

The class system in the United States is complex, as class is composed of multiple variables. We may, however, identify some general descriptive categories. Our descriptions follow the class categories used by Gilbert and Kahl, as shown in [Figure 7.1](https://jigsaw.vitalsource.com/books/9781506316628/epub/OEBPS/ch0007.xlink.xhtml#fig7.1) (Gilbert, 2011). At the bottom of the economic ladder, one finds what economist Gunnar Myrdal (1963), writing in the 1960s, called the *underclass*: “a class of unemployed, unemployables, and underemployed who are more and more hopelessly set apart from the nation at large” (p. 10). The term has also been used by sociologists like Erik Olin Wright (1994) and William Julius Wilson (1978), whose work on the “black underclass” described that group as “a massive population at the very bottom of the social ladder plagued by poor education and low-paying, unstable jobs” (p. 1).

People who perform manual labor or work in low-wage sectors like food service and retail jobs are generally understood to be working class, though some sociologists distinguish those in the *working class* from the *working poor.* Households in both categories cluster below the median household income in the United States and are characterized by breadwinners whose education beyond high school is limited or nonexistent. People in both categories depend largely on hourly wages, though the working poor have lower incomes and little or no wealth; while they are employed, their wages fail to lift them above the poverty line, and many struggle to meet even basic needs. Author David Shipler (2005) suggests that they are “invisible,” as U.S. mainstream culture does not equate work with poverty.

p.160

Those who provide skilled services of some kind (whether legal advice, electrical wiring, nursing, or accounting services) and work for someone else are considered—and usually consider themselves—middle-class. Lawyers, teachers, social workers, plumbers, auto sales representatives, and store managers are all widely considered to be middle class, though there may be significant income, wealth, and educational differences among them, leading some observers to distinguish between the (middle) *middle class* and the *upper-middle class.* As most Americans describe themselves in surveys as “middle class,” establishing quantitative categories is challenging. In fact, in 2010, the White House Task Force on the Middle Class, led by Vice President Joe Biden, opted for a descriptive rather than statistical definition of the middle class, suggesting that its members are “defined by their aspirations more than their income. [It is assumed that] middle class families aspire to homeownership, a car, college education for their children, health and retirement security and occasional family vacations” (U.S. Department of Commerce, Economics and Statistics Administration, 2010).

**FIGURE 7.2 U.S. Real Median Household Income by Racial and Ethnic Group, 1967–2013**

SOURCE: U.S. DeNavas-Walt, C., & Proctor, B. D. (2014). *Income and poverty in the United States: 2013* (Current Population Reports P60-249). Washington, DC: U.S. Census Bureau.

Those who own or exercise substantial financial control over large businesses, financial institutions, or factories are generally considered to be part of the upper class, a category Gilbert and Kahl term the *capitalist class* (Gilbert, 2011). This is the smallest of the categories and consists of those whose wealth and income, whether gained through work, investment, or inheritance, are dramatically greater than those of the rest of the population.

Below we look more closely at some key components of social class position: *income, wealth, occupation,* and *political voice.*

**INCOME**

Income is *the amount of money a person or household earns in a given period of time.* Income is earned most commonly at a job and less commonly through investments. Household income also includes government transfers such as Social Security payments or disability checks. Income typically goes to pay for food, clothing, shelter, health care, and other costs of daily living. It has a fluid quality in that it flows into a household in the form of pay-period checks and then flows out again as the mortgage or rent is paid, groceries are purchased, and other daily expenses are met.

U.S. household incomes have largely stagnated over the past decades, a topic we cover in detail later in the chapter. Effects of the recent economic crisis have not been felt evenly, but they have been experienced by all U.S. ethnic and racial groups ([Figure 7.2](https://jigsaw.vitalsource.com/books/9781506316628/epub/OEBPS/ch0007.xlink.xhtml#fig7.2)). Income gains in the United States, however, have been disproportionately concentrated among top earners. In May 2014, the Associated Press reported that the median pay of chief executive officers (CEOs) in the United States had passed the $10 million mark the previous year, noting, “A chief executive now makes about 257 times the average worker’s salary, up sharply from 181 times in 2009” (Sweet, 2014).

**WEALTH**

Wealth (or net worth) differs from income in that it is *the value of everything a person owns minus the value of everything he or she owes.* Wealth becomes a more important source of status as people rise on the income ladder.

For most people in the United States who possess any measurable wealth, the key source of wealth is home equity, which is essentially the difference between the market value of a home and what is owed on the mortgage. This form of wealth is *illiquid* (as opposed to *liquid*); illiquid assets are those that are logistically difficult to transform into cash because the process is lengthy and complicated. So a family needing money to finance car repairs, meet educational expenses, or even ride out a period of unemployment cannot readily transform its illiquid wealth into cash.

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p.161

Economists and sociologists treat net financial assets as *a measure of wealth that excludes illiquid personal assets such as home and car.* Examples of net financial assets are stocks, bonds, cash, and other forms of investment assets. These are the principal sources of wealth used by the rich to secure their position in the economic hierarchy and, through reinvestment and other financial vehicles, to accumulate still more wealth.

Wealth, unlike income, is built up over a lifetime and passed down to the next generation. It is used to create new opportunities rather than merely to cover routine expenditures. Income buys shoes, coffee, and car repairs; wealth buys a high-quality education, business ventures, and access to travel and leisure that are out of reach of most, as well as financial security and the creation of new wealth. Those who possess wealth have a decided edge at getting ahead in the stratification system. In the United States, wealth is largely concentrated at the very top of the economic ladder.

**OCCUPATION**

An occupation is *a person’s main vocation.* In the modern world, this generally refers to *paid employment.* Occupation is an important determinant of social class because it is the main source of income in modern societies. The U.S. Bureau of Labor Statistics tracks 840 detailed occupational categories in the United States. Sociologists have used various classifications to reduce these to a far smaller number of categories. For example, jobs are described as *blue-collar* if they are based primarily on manual labor (factory workers, agricultural laborers, truck drivers, and miners) and *white-collar* if they require mainly analytical skills or formal education (doctors, lawyers, and business managers). The term *pink-collar* is sometimes used to describe semiskilled, low-paid service jobs that are primarily held by women (waitresses, salesclerks, and receptionists).

In the 1990s, some writers adopted the term *gold-collar* to categorize the jobs of young professionals who commanded huge salaries and high occupational positions very early in their professional careers thanks to the technology bubble and economic boom of the 1990s (Wonacott, 2002). After the bubble burst, gold-collar workers were more often found in the financial sector, earning very substantial salaries and benefits. The economic recession that commenced in 2007 put a damper on growth in salaries and benefits of gold-collar workers, but they have risen again in recent years.

**STATUS**

Status refers to *the prestige associated with social position.* It varies based on factors such as family background and occupation. A considerable amount of social science research has gone into classifying occupations according to the degrees of status or prestige they hold in public opinion.

We might expect white-collar jobs to rank more highly in prestige than blue-collar jobs, but do they? Doctors and scientists are indeed at the top of the prestige scale—but so are less highly paid professionals such as nurses and firefighters (who top the poll results discussed in this section, with 62% of respondents indicating that firefighters have “very great prestige”). Also in the top ranks are teachers and military officers (both with 51% conferring “very great prestige” on them). At the bottom are actors, stockbrokers, accountants, and real estate agents (just 5% of respondents indicated “very great prestige” for real estate agents). It seems occupations that require working with ideas (scientist, engineer) or providing professional services that contribute to the public welfare (teacher, doctor, firefighter) have the highest prestige, and, perhaps surprisingly, the U.S. public does not always relate prestige to income (Harris Interactive, 2009).

Prestige rankings of specific occupations have been relatively stable over time, though changes do occur. For instance, since 1977 both scientists and lawyers have lost ground, falling 9 points to 57% and 10 points to 26%, respectively. What factors might explain these drops? Have societal changes taken place that might contribute to our understanding of why occupations like these rise and fall on the prestige scale?

**POLITICAL VOICE**

Political power is *the ability to exercise influence on political institutions and/or actors in order to realize personal or group interests.* It involves the mobilization of resources (such as money or technology or political support of a desired constituency) and the successful achievement of political goals (such as the passage of legislation favorable to a particular group).

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p.162

Sociological analyses of power have revealed a pyramid-shaped stratification system in the United States—as well as in most advanced industrial societies, including those of Western Europe. At the top are a handful of political figures, businesspeople, and other leaders with substantial power over political decision making and the national economy. Moving down the pyramid, we encounter more people—and less power (Domhoff, 2009).

Sociologist C. Wright Mills began to write as early as the 1950s about the existence of a “power elite,” which he defined as a group comprising elites from the executive branch of government, the military, and the corporate community who share social ties, a common “worldview” born of socialization in prestigious schools and clubs, and professional links that create revolving doors between positions in these three areas (Mills, 1956/2000a).

In contrast to the *pluralist perspective* on U.S. democracy, which suggests that political power is fluid and passes, over time, among a spectrum of groups and interests who compete in the political arena, Mills offered a critical perspective. He described a concentration of political power in the hands of a small elite. According to Mills, while some power over local issues remains in the hands of elected legislatures and interest groups, decision-making power over issues of war and peace, global economic interests, and other matters of international and national consequence remain with the power elite. The power of the masses is little more than an illusion in Mills’s view; the masses are composed of “entirely private” individuals wrapped up in personal concerns and largely disconnected from the political process. (We discuss the power elite and pluralism more fully in [Chapter 14](https://jigsaw.vitalsource.com/books/9781506316628/epub/OEBPS/ch0014.xlink.xhtml).)

Today, the middle class is at the center of electoral discourse, but are decision makers addressing the fundamental economic concerns, including stagnating wages, of the middle class? Or do the interests of the wealthy guide policy making? Are the voices of the poor present in politics? What do you think? In the following we look more closely at trends in inequality in the United States.

**CLASS AND INEQUALITY IN THE UNITED STATES: DIMENSIONS AND TRENDS**

The United States prides itself on being a nation of equals. Indeed, except for the period of the Great Depression of the 1930s, inequality declined throughout much of the 20th century, reaching its lowest levels during the 1960s and early 1970s. But during the past three decades, inequality has been on the rise again. The rich have gotten much richer, middle-class incomes have stagnated, and a growing number of poor are struggling to make ends meet.

**INCOME INEQUALITY**

Sociologist Richard Sennett (1998) writes that “Europeans from [Alexis de] Tocqueville on have tended to take the face value for reality; some have deduced we Americans are indeed a classless society, at least in our manners and beliefs—a democracy of consumers; others, like Simone de Beauvoir, have maintained we are hopelessly confused about our real differences” (p. 64). Was Tocqueville right, or Beauvoir? Are we classless or confused? What are the dimensions of our differences? Let us look at what statistics tell us.

Every year the U.S. Census Bureau calculates how income is distributed across the population of earners. All households are ranked by annual income and then categorized into *quintiles,* or fifths. The Census Bureau calculates how much of the *aggregate income,* or total income, generated in the United States each quintile gets. In other words, imagine all legally earned and reported income thrown into a big pot—that is the aggregate income. The Census Bureau wants to know (and we do too!) how much of this income goes to each quintile of earners. In a society with equal distribution across quintiles, each fifth of earners would get about one-fifth of the income in the pot. Conversely, in a society with complete inequality across quintiles, the top would get everything, and the bottom quintiles would be left empty-handed. The United States, like all other countries, falls between these two hypothetical extremes.

In [Figure 7.3](https://jigsaw.vitalsource.com/books/9781506316628/epub/OEBPS/ch0007.xlink.xhtml#fig7.3), we see how aggregate income in the United States is divided among quintiles of earners. When we look at the pie, we see that income earners at different levels take in disparate proportions of the income total. Those in the bottom quintile take in just over 3% of the aggregate income, while those in the top quintile get more than half; that means the top 20% of earners bring in as much as all in the bottom 80% combined. No less significant is the fact that the top 5% take in more than 22% of the total income—more than the bottom 40% combined (DeNavas-Walt & Proctor, 2014).

**FIGURE 7.3 Shares of Aggregate U.S. Income by Quintile, 2013**

SOURCE: U.S. Census Bureau. (2013). *Income, poverty, and health insurance coverage in the United States: 2012. Current Population Reports.* Washington, DC: C. DeNavas-Walt, B. D. Proctor, & J. C. Smith.

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p.163

Data compiled by economists Emmanuel Saez and Thomas Piketty, with a formula that uses pretax income (as do the census figures) but includes capital gains, suggest an even more stratified picture. According to Saez and Piketty’s calculations, about 50% of pretax income goes to the top 10% of earners. Within this well-off decile (or tenth) of earners, there is a still more dramatic division of income, because the top *1%* of earners takes about a fifth of the aggregate income (Saez, 2010). Clearly, gains have been concentrated at the top of the income ladder. As economist Joseph Stiglitz (2012) points out, the fraction of the aggregate income taken by the upper 1% has doubled since 1980, while the fraction that goes to the upper 0.1% has nearly tripled over that period.

When we study issues like income inequality, we benefit from understanding the data we gather in their historical context. [Figure 7.3](https://jigsaw.vitalsource.com/books/9781506316628/epub/OEBPS/ch0007.xlink.xhtml#fig7.3) presents a snapshot of one moment in time, but what about decades past? The economic prosperity of the middle to late 1990s brought some benefit to most American workers: The median U.S. income rose faster at the end of the 1990s than it had since the period from the late 1940s to the middle 1950s. Saez (2010) calculates that the real annual growth of income among the bottom 99% of earners grew 2.7% in the period he terms the “Clinton Expansion” (1993–2000), but it dropped during the 2000–2002 recession (by 3.3%) and again during the 2007–2008 period (by 6.9%). On the whole, the period from 1993 to 2008 saw a real annual growth of just 0.75% for the incomes of the bottom 99%. Over the same period, the top 1% of earners experienced a real annual growth of almost 4% (though this group too experienced significant losses in the recessionary periods).

**FIGURE 7.4 Changes in Income Inequality in the United States, 1967–2013**

SOURCE: U.S. Census Bureau. (2012). *Income, poverty, and health insurance coverage in the United States: 2011*. *Current Population Reports*. Washington, DC: C. DeNavas-Walt, B. D. Proctor, & J. C. Smith.

**FIGURE 7.5 Average Hourly Wages of U.S. College Graduates Ages 21–24, 1989–2012**

SOURCE: Shierholz, H. (2013). *Wages of young college graduates have failed to grow over the last decade.* Washington, DC: Economic Policy Institute.

From about World War II until the middle 1970s, the top 10% earned less than a third of the national income pool (Pearlstein, 2010). In the years since, however, the incomes of people at or near the top have risen far faster than those of earners at the bottom or middle of the income scale ([Figure 7.4](https://jigsaw.vitalsource.com/books/9781506316628/epub/OEBPS/ch0007.xlink.xhtml#fig7.4)). The stagnation of wages is illustrated by the poor growth (and even decline) of average wages of new college graduates. As we see in [Figure 7.5](https://jigsaw.vitalsource.com/books/9781506316628/epub/OEBPS/ch0007.xlink.xhtml#fig7.5), in the period between 2000 and 2012 the wages of new college graduates fell by 8.5% (Shierholz, 2013).

**WEALTH INEQUALITY**

We see the growth of inequality in the distribution of income, but what about the wealth gap? What are its dimensions? Is it growing or shrinking? Recall that while income has a fluid quality—flowing into the household with a weekly or monthly check and flowing out again as bills are paid and other goods of daily life are purchased—wealth has a more solid quality. Wealth represents possessions that do not flow into and out of the household regularly but instead provide a set of assets that can buy security, educational opportunity, and comfortable retirement years. The distribution of wealth gives us another important gauge of how U.S. families are doing relative to one another in terms of security, opportunity, and prospects.

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p.164

PRIVATE LIVES, PUBLIC ISSUES

POVERTY AND WORK IN THE UNITED STATES: THE
MINIMUM WAGE DEBATE

In the United States, we do not normally associate work with poverty. Work, after all, is widely understood to be a foundation of prosperity. At the same time, in 2012, according to the U.S. Bureau of Labor Statistics (2014c), the incomes of 10.6 million American workers fell below the poverty line. Among these are more than 4% of workers who are employed full-time and more than 15% of those who work part-time. A key factor explaining their poverty, according to the Bureau of Labor Statistics, is “low earnings.” Poverty, our sociological imagination may suggest, can be linked to structural factors, including a minimum wage that leaves even many full-time workers struggling. Below we examine some key arguments in the national debate over the minimum wage.

In July 2009, the federal minimum wage rose to $7.25 an hour, the third and final increase mandated by the amended Fair Labor Standards Act. A full-time employee earning the federal minimum wage today makes a yearly pretax income of about $15,000. An effort by Democrats in Congress in early 2014 to mandate an increase in the minimum wage to $10.10 was blocked by Republican opponents.

Clearly, no one gets rich on the minimum wage—it is a *minimum* wage level legally mandated for U.S. workers (though exceptions exist in the law, such as one that applies to full-time students under the age of 20). But is it enough to ensure a minimum standard of living? Should the minimum wage be raised? Or should it be lowered or even abolished altogether?

**FIGURE 7.6 Minimum Wage Rates in the United States, 2014**

SOURCE: Minimum Wage Laws in the United States, January 1, 2014. United States Department of Labor.

Proponents of minimum wage laws and increases argue that the current minimum wage does not support the idea that “work pays.” Many minimum wage workers earn below or just barely above the U.S. official poverty line. A single parent with one child working full-time at a minimum wage job is below the 2013 poverty threshold of $16,057 for one adult under age 65 supporting one child (U.S. Census Bureau, 2013c). An increased minimum wage, proponents argue, would have the potential to increase the standard of living of the neediest U.S. workers and their children.

From a macroeconomic perspective, higher wages also push up consumption because the poor spend all or most of their wages. This is beneficial for the economy, which is highly dependent on consumption; the government may also collect increased tax revenue as workers earn more income. Other benefits that proponents cite include greater employee motivation and retention, which lower the cost of training new employees, and less need for government support of poor workers in the form of food stamps and housing subsidies.

p.165

Opponents of minimum wage laws suggest that a federally mandated minimum wage hurts both low-wage workers and private businesses. They argue that mandated increases may reduce hiring as businesses seek to cut labor costs—the result is fewer jobs for those in the low-wage sector. Further, a rising minimum wage, say opponents, can discourage high school students from completing their education by enticing them to join the job market prematurely. Consumers may also be harmed as higher labor costs are passed on in the form of higher prices for goods and services. Finally, profit margins for small businesses, already slim, may be further reduced by mandated wage increases. Opponents of minimum wage laws assert that if such laws were abolished, markets would set the minimum wage by balancing what employers will pay with what employees will accept.

**THINK IT THROUGH**

 What is the answer to the minimum wage conundrum? Should the minimum wage be raised at the federal level? (Currently, 22 states and the District of Columbia have higher minimum wages than federal law requires.) How strong are the competing arguments on the two sides of the debate? Can you locate credible research supporting or challenging these arguments?

Today more Americans than ever have money invested in the stock market—many through 401(k) and other retirement accounts. Does that mean wealth is more evenly spread across the population than before? No, it does not—in fact, the distribution of wealth is even more unequal than the income gap and, like that gap, is growing. If we exclude the ownership of cars and homes—which, as we noted, are not normally sources of wealth that people can use to pay regular bills or get richer—the difference in wealth between high-income families and everyone else is particularly pronounced. [Figure 7.7](https://jigsaw.vitalsource.com/books/9781506316628/epub/OEBPS/ch0007.xlink.xhtml#fig7.7) shows the expanding ratio of the average wealth of the top 1% and the national median wealth.

Minority groups hold far fewer net financial assets than Whites. The wealth held by minority households has historically lagged dramatically; for instance, in 1990, Black households held about 1% of total U.S. wealth (Conley, 1999). This percentage rose markedly in the economic boom years of the 1990s and continued to expand into the 2000s. Black household wealth reached an average of just over $12,000 in 2005. This climb, however, has been reversed by the housing crisis and the Great Recession, which saw a 53% fall in household wealth among Blacks to just $5,677. Among Hispanics, the fall was even more stark, with household wealth dropping 66% from a high of $18,359 in 2005. In the aftermath of the economic crisis, the median household wealth of Whites is fully 20 times that of Black households and 18 times that of Hispanic households (Kochhar, Fry, & Taylor, 2011).

Many U.S. families have zero or negative net worth, a condition worsened by the recent recession. Consider a Pew Research Center finding that while the median wealth of Latino households in 2009 was just over $6,000, nearly one third had zero or negative net worth, a figure that put them between White households (15% had zero or negative net worth) and Black households (35% had zero or negative net worth; Kochhar et al., 2011).

**FIGURE 7.7 Wealth of Top 1%, 1962–2010**

SOURCE: Wolff. (2012). “Ratio of average top 1% household wealth to median wealth, 1962–2010.” *The State of Working America*. Washington, DC: Economic Policy Institute. Reprinted with permission.

p.166

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Many city neighborhoods lack access to large, well-stocked supermarkets with competitive prices. Residents must often choose between overpriced and often poor-quality goods, and a long trip to a suburban market. The low rates of private vehicle ownership among the urban poor can make shopping for healthy food a burden.

**OTHER GAPS: INEQUALITIES IN HEALTH CARE, HEALTH, AND ACCESS TO CONSUMER GOODS**

Along with the gap in income and wealth, there is a critical gap in employer benefits, including health insurance. From the 1980s to the 1990s, health care coverage for workers in the bottom quintile of earners fell more dramatically than for any other segment of workers: From a rate of 41% coverage it dropped to just 32% in the late 1990s (Reich, 2001). In 2011, about 25% of those living in households earning less than $25,000 a year were uninsured, along with more than 21% of those in households earning $25,000–$49,999 (U.S. Census Bureau, 2012c). Altogether, more than 15% (48.6 million) of the U.S. population was without health insurance, including 7 million children under age 18 (U.S. Census Bureau, 2012c).

Many of the jobs created in the 1980s and 1990s were positions in the service sector, which includes retail sales and food service. While the *quantity* of jobs created in this period helped push down the unemployment rate, the *quality* of jobs created for those with less education was not on par with the quality of many of the jobs lost as U.S. manufacturing became automated or moved overseas. Many service sector jobs pay wages at or just above minimum wage and have been increasingly unlikely to offer employer benefits.

One goal of President Obama’s Patient Protection and Affordable Care Act (known simply as the Affordable Care Act or ACA), signed into law in 2010, is to expand insurance coverage for the working poor. In the first year the law was in effect, more than 8 million people signed up for health insurance plans under the Affordable Care Act, and 57% of those people had been uninsured before enrolling in ACA-compliant plans. Moreover, those who enrolled in ACA-compliant plans reported slightly worse health than nonenrollers, and most said that they would not have sought insurance if the law had not taken effect (Hamel et al., 2014).

Perhaps predictably, data show a powerful relationship between health and class status. Empirical data show that those with greater income and education are less likely than their less well-off peers to have and die of heart disease, diabetes, and many types of cancer. Just as income is distributed unevenly in the population, so is good health. Notably, modern medical advances have disproportionately provided benefits for those at the top of the income spectrum (Scott, 2005).

Children in disadvantaged families are more likely than their better-off peers to have poor physical and mental health. According to the Kaiser Family Foundation (2008), the rate of hospitalization for asthma for Black children is four to five times higher than that for White children. The problem is not only the lack of health insurance in families—though this factor is important—but also the lack of physical activity that may result when children don’t have safe places to play and exercise, and when their families are unable to provide healthy foods because both money and access to such foods are limited.

The problem of poor health related to a lack of good food is linked to another disadvantage experienced by those on the lower economic rungs: lack of access to high-quality goods at competitive prices. Most middle-class shoppers purchase food at large chain grocery stores that stock items like fresh fruit and vegetables and meat at competitive prices. In contrast, inhabitants of poor neighborhoods are likely to shop at small stores that have less stock and higher prices, because large grocery chains choose not to locate in poor areas. If they want to shop at big grocery stores, poor residents may need to travel great distances, a substantial challenge for those who do not own cars.

Some writers have referred to *areas that lack sources of competitively priced healthy and fresh food* as food deserts. A *USA Today* article quotes Louisville retiree Jessie Caldwell, who regularly makes an hour-long bus trip to get fresh vegetables or meat: “For her and many others, it’s often tempting to go to a more convenient mini-market or grab some fast food. ‘The corner stores just sell a lot of potato chips, pop and ice cream,’ she said. ‘But people are going to eat what’s available’” (Kenning & Halladay, 2008).

While we do not always think of access to stores with competitive prices and fresh goods as an issue of class inequality, lack of such access affects people’s quality of life, conferring advantage on the already advantaged and disadvantage on those who struggle to make ends meet. Writer Barbara Ehrenreich (2001) highlights this point:

There are no secret economies that nourish the poor; on the contrary, there are a host of special costs. If you can’t put up the two months’ rent you need to secure an apartment, you end up paying through the nose for a room by the week. If you have only a room, with a hot plate at best, you can’t save by cooking up huge lentil stews that can be frozen for the week ahead. You eat fast food and hot dogs and Styrofoam cups of soup that can be microwaved in a convenience store. (p. 27)

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p.167

**WHY HAS INEQUALITY GROWN?**

There is a significant split between the fortunes of those who are well educated and those who do not or cannot attend college. The demand for labor over the past several decades has been differentiated on the basis of education and skills—workers with more education are more highly valued, while those with little education are becoming less valuable. These effects are among the results of the transition to a postindustrial economy in the United States.

The nation’s earlier industrial economy was founded heavily on manufacturing. U.S. factories produced a substantial proportion of the goods Americans used—cars, washing machines, textiles, and the like—and a big part of the economy depended on this production for its prosperity. This is no longer the case. In the postindustrial economy of today, the United States manufactures a smaller proportion of the goods Americans consume and fewer goods overall. Many manufacturing jobs have either been mechanized or gone abroad, drawn to the low-cost labor in developing countries. New manufacturing jobs created in the United States offer lower wages overall than did their predecessors in the unionized factories of the industrial Midwest (we discuss this issue in greater detail in [Chapter 15](https://jigsaw.vitalsource.com/books/9781506316628/epub/OEBPS/ch0015.xlink.xhtml)). The modern U.S. economy has produced larger numbers of jobs in the production of knowledge and information and the provision of services.

One group that has grown is made up of professionals who engage in what former secretary of labor Robert Reich (1991) has called “symbolic analysis,” or “problem-solving, problem-identifying, and strategic-brokering activities” (p. 111). These occupational categories—law, engineering, business, technology, and the like—typically pay well and offer some job security, but they also require a high level of skill and at least a college education. Even well-educated middle-class workers, however, have been touched by automation and outsourcing. As well, a rising proportion of middle-level jobs have converted from relatively stable and secure long-term positions to contractual work. We examine these issues in greater detail in [Chapter 15](https://jigsaw.vitalsource.com/books/9781506316628/epub/OEBPS/ch0015.xlink.xhtml).

The fastest-growing sector of the postindustrial economy beginning in the 1980s was the service sector, which includes jobs in food service, retail sales, health care (for instance, home health aides and nurse’s aides), janitorial and housecleaning services, and security. These jobs do not require advanced education or technical skills, but they typically pay poorly and offer weak job security and few benefits.

**FIGURE 7.8 Job Losses and Gains in the U.S. Economy, 2008–2012**

SOURCE: Adapted from National Employment Law Project, “The Low-Wage Recovery and Growing Inequality.” Data Brief, August, 2012, p.2.

In the period following the official end of the Great Recession, the bulk of new jobs were low-wage positions, many of them service sector positions in areas like hospitality, tourism, and retail. While middle-wage, middle-skill jobs have failed to recover in the years after the economic crisis, jobs on the low end of the pay scale have multiplied ([Figure 7.8](https://jigsaw.vitalsource.com/books/9781506316628/epub/OEBPS/ch0007.xlink.xhtml#fig7.8)). According to one estimate, fully 43% of jobs created since 2010 can be categorized as “low wage,” paying $16 or less per hour. This may help explain the fact that while the unemployment rate has dipped in recent years, there have been meager gains in household income: In the period 2011–2012, the median U.S. household income grew by just 1.1% (Foroohar, 2014).

By providing jobs to those with less education, the service sector has, in a sense, moved into the void left by the manufacturing sector of the industrial economy over the past few decades. The service sector, which offers lower pay scales and fewer benefits, does not typically provide the kinds of jobs that offer a solid road to the middle class. Another difference is that manufacturing, especially in the automaking and steel industries, was overwhelmingly a male bastion, while service jobs favor women. The “advantage” enjoyed by less educated women over their male counterparts does not, however, translate into substantial economic gains for women or their families. Wage gains for women overall have been more fully driven by gains made by college-educated women.

p.168

The stratification of the U.S. labor force into a low-wage service sector and a better-paid knowledge and technology sector appears to be continuing unabated. The narrative of a “disappearing middle class” has become a common theme in both social science and mainstream political discourse. Do you see such a trend in your own community? How does this narrative coexist with Americans’ long-existing tendency to self-identify as middle-class, almost regardless of income?

**FIGURE 7.9 Poverty Levels in the United States, 1959–2013**

SOURCE: U.S. Census Bureau. (2012). Historical Poverty Tables—People. Poverty; Bishaw, A. (2013). Poverty: 2000 to 2012. American Community Survey Briefs. Washington, D.C.: U.S. Census Bureau

**AT THE BOTTOM OF THE LADDER: POVERTY IN THE UNITED STATES**

There is a familiar America. It is celebrated in speeches and advertised on television and in the magazines. It has the highest mass standard of living the world has ever known.

In the 1950s this America worried about itself, yet even its anxieties were products of abundance.... There was introspection about Madison Avenue and tail fins; there was discussion of the emotional suffering taking place in the suburbs. In all this, there was an implicit assumption that the basic grinding economic problems had been solved in the United States....

While this discussion was being carried on, there existed another America. In it dwelt between 40,000,000 and 50,000,000 citizens of this land. They were poor. They still are.

To be sure, the other America is not impoverished in the same sense as those poor nations where millions cling to hunger as a defense against starvation. This country has escaped such extremes. That does not change the fact that tens of millions of Americans are, at this very moment, maimed in body and spirit, existing at levels beneath those necessary for human decency. If these people are not starving, they are hungry, and sometimes fat with hunger, for that is what cheap foods do. They are without adequate housing and education and medical care. (Harrington, 1963, pp. 1–2)

These words, first published in 1963, helped to open the eyes of many to the plight of the U.S. poor, who were virtually invisible to a postwar middle class comfortably ensconced in suburbia. Michael Harrington’s classic book *The Other America: Poverty in the United States* also caught the interest of President John F. Kennedy’s administration and later the Johnson administration, which inaugurated the War on Poverty in 1964.

When President Lyndon B. Johnson began his War on Poverty, around 36 million U.S. citizens lived in poverty. Within a decade, the number had dropped sharply, to around 23 million. But then, beginning in the early 1970s, poverty again began to climb, reaching a high of 39 million people in 1993 before receding. It has climbed once more, and since 2008 poverty has surpassed the peak set in 1993 ([Figure 7.9](https://jigsaw.vitalsource.com/books/9781506316628/epub/OEBPS/ch0007.xlink.xhtml#fig7.9)). In 2013, the number of officially poor stood at nearly 45.3 million people—or about 14.5% of the population, a small drop from the prior year (DeNavas-Walt & Proctor, 2014).

We pause on the topic of “official poverty” because it is important for us to be critical consumers of information. We are surrounded by statistics, subject to a barrage of information about the proportion of the population who support the president or reject the health care initiatives of a political party, about the numbers of teen pregnancies and births, about the percentages who are unemployed or in poverty. These statistics illuminate the social world around us and offer us a sense of what we as a nation are thinking or earning or debating. On the other hand, statistics—including social indicators like the poverty numbers ([Table 7.1](https://jigsaw.vitalsource.com/books/9781506316628/epub/OEBPS/ch0007.xlink.xhtml#tab7.1))—may also obscure some important issues. To use indicators such as the poverty numbers wisely, we should know where they come from and what their limitations are.

What is poverty from the perspective of the U.S. government? How were these numbers generated? The official poverty line is *the dollar amount set by the government as the minimum necessary to meet the basic needs of a family.* In 2013, the U.S. government used the following thresholds:

•    One person, under age 65: $12,119

•    One person, 65 or older: $11,173

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|  | [Typology of American PovertyCLICK TO SHOW](http://irx.sagepub.com/cgi/reprint/32/1/19?ijkey=Qn7S4wAe9lGMU&keytype=ref&siteid=spirx) |

p.169

**TABLE 7.1   Poverty Rates of Selected U.S. Subgroups, 2013**

SOURCE: U.S. Census Bureau. (2013). Income, poverty, and health insurance coverage in the United States: 2012. *Current Population Reports*. Washington, DC: C. DeNavas-Walt, B. D. Proctor, & J. C. Smith.

•    Three persons (one adult, two children): $18,769

•    Four persons (two adults, two children): $23,624

•    Five persons (two adults, three children): $27,801

From the federal government’s perspective, those whose pretax income falls beneath the threshold are officially poor; those whose pretax income is above the line (whether by $10 or $10 million) are “nonpoor.” How are these thresholds generated? The *Behind the Numbers* box on page 170 explains.

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Living in an impoverished neighborhood has significant consequences for both poor and non poor households. Diminished opportunities for work, education, consumption, and recreation affect entire neighborhoods.

Notably, official poverty numbers and the data we see in [Table 7.1](https://jigsaw.vitalsource.com/books/9781506316628/epub/OEBPS/ch0007.xlink.xhtml#tab7.1) offer us a picture of what the Census Bureau calls the “annual poverty rate.” This figure captures the number of households whose total income over the 12 months of the year fell below the poverty threshold, but it does not illuminate how many families may have dropped into or climbed out of poverty and how many dwell there over a longer period. A recent Census Bureau report points out that while the official poverty figure is around 14.5%, in the period 2009 to 2011 about one third of U.S. households fell below the poverty threshold for at least 2 months. At the same time, just 3.5% remained poor for the full 3-year period under study (Edwards, 2014). While few households languish at the very bottom of the economic ladder for years, it is significant that nearly 10 times more households experienced periods of poverty.

Inequality and poverty in the United States are serious issues that demand both analysis and attention. While inequality is part of any modern capitalist state, the steep rise of inequality in recent decades presents a challenge to societal mobility and perhaps, ultimately, stability.

**THE PROBLEM OF NEIGHBORHOOD POVERTY**

In this section, we discuss the issue of concentrated poverty, looking specifically at measures, causes, and consequences of high levels of neighborhood (or area) poverty. We thus distinguish between household poverty, which an individual or family may experience while living in a mixed-income neighborhood, and neighborhood-level poverty. Notably, research suggests that being poor in a poor neighborhood has more negative social, economic, and educational effects than household poverty in a more economically heterogeneous context (Wilson, 2010). Neighborhood poverty affects those households that are poor, but it also affects those in the neighborhood who are not officially poor.

A recent Census Bureau report shows that a growing proportion of Americans reside in “poverty areas,” defined in the report as census tracts featuring 20% or more households in poverty (Bishaw, 2014). (Census tracts are areas with between 1,200 and 8,000 residents; most tracts fall in the 4,000 range.) In 2000, just over 18% of U.S. inhabitants lived in poverty areas; by 2010, nearly a quarter did. Poverty areas can be rural, suburban, or urban: Just over half are in central cities, another 28% are in the suburbs, and about 20% are outside metropolitan areas (see [Figure 7.10](https://jigsaw.vitalsource.com/books/9781506316628/epub/OEBPS/ch0007.xlink.xhtml#fig7.10)). Female-headed households are more likely than other family types to live in poverty areas: In 2010, more than 38% of female-headed households resided in areas with more than 20% poverty.

p.170

**BEHIND THE NUMBERS**

**CALCULATING U.S. POVERTY**

How does the U.S. government measure poverty? In the early 1960s, an economist at the Social Security Administration, Mollie Orshansky, used a 1955 U.S. Department of Agriculture study to establish a poverty line. She learned from the study that about one third of household income went to food, so she calculated the cost of a “thrifty food basket” and tripled it to take into account other family needs such as transportation and housing. Then she adjusted the figure again to take into account the size and composition of the family and the age of the head of household. The result was the poverty threshold, which is illustrated in [Figure 7.10](https://jigsaw.vitalsource.com/books/9781506316628/epub/OEBPS/ch0007.xlink.xhtml#fig7.10).

Orshansky’s formula represented the first systematic federal attempt to count the poor, and it has been in use for more than half a century. But its age makes it a problematic indicator for the 21st century. Some critics argue that it may underestimate the number of those struggling with material deprivation. Consider the following points:

•   The multiplier of three was used because food was estimated to constitute one third of a family budget in the 1960s. Food is a smaller part of budgets today (about one fifth), and housing and transport are much bigger ones. Using a higher multiplier would raise the official poverty line and, consequently, increase the number of households classified as poor.

•   The formula makes no adjustment for where people live, though costs of living vary tremendously by region. While a family of four may be able to make basic ends meet on a pretax income of $15,000 in South Dakota or Nebraska, it is doubtful that the housing costs of such areas as Boston, San Francisco, New York City and Washington, D.C., would permit our hypothetical family to survive in basic decency.

On the other hand, some critics have suggested that the poverty rate overestimates the problem, because it does not account for noncash benefits that some poor families receive, including food stamps and public housing vouchers. Adding the value of those (though they cannot be converted into cash) would increase the income of some families, possibly raising them above the poverty line.

**FIGURE 7.10 The Poverty Threshold Calculation**

SOURCE: U.S. Census Bureau. (2010). *Poverty: 2008 and 2009. American community survey briefs*. Washington, DC: A. Bishaw & S. Macartney.

We might thus conclude that while the official poverty statistics give us some sense of the problem of poverty and poverty trends over time, they must be read with a critical eye.

**THINK IT THROUGH**

 Taking into consideration forms of inequality and issues of poverty discussed in this chapter, how would you create an instrument to measure poverty in the United States? The current measurement focuses on a “crisis food basket.” What variables would you include?

p.171

Sociologists study the development of poverty areas, particularly in urban neighborhoods (Wilson, 1996, 2010). The rise of the suburbs in the post–World War II period fostered the out-migration of many city residents, particularly members of the white middle class, and was accompanied by a shift of public resources to new neighborhoods outside cities. Public housing built in U.S. cities around the same period was intended to offer affordable domiciles for the poor, but it also contributed to the development of concentrated poverty, as policies foresaw income limitations that foreclosed the possibility of maintaining mixed-income neighborhoods. Racially discriminatory policies and practices, including limitations on Black access to mortgages or to homes in White neighborhoods, made Blacks far more vulnerable than their White counterparts to becoming trapped in poor neighborhoods. Even today, Black and Hispanic households are more likely to reside in poverty areas (Bishaw, 2014).

As many families moved to the suburbs in the 1950s and 1960s, jobs eventually followed, contributing to a “spatial mismatch” between jobs in the suburbs and potential workers in urban areas (Wilson, 2010). The decline of manufacturing in the 1970s and the decades following also had a profound effect on some urban areas, such as Chicago and Detroit, which were deeply reliant on heavy industry for employment.

**FIGURE 7.11 Percentages of Americans Living in Poor Neighborhoods, 2010**

SOURCE: U.S. Census Bureau, 2008–2012 5-year American Community Survey.

As noted earlier, area poverty compounds the negative effects of household poverty and presents challenges to all residents of economically disadvantaged neighborhoods. Research has shown, for instance, that nonpoor Black children are more likely than their White counterparts to reside in poor neighborhoods and to experience limitations to social mobility; even those in the top three income quintiles are vulnerable to downward economic mobility (Sharkey, 2009). Poor areas are more likely than better-off or even mixed-income neighborhoods to experience high levels of crime, to have low-quality housing and education, and to offer few job opportunities to residents (Federal Reserve System & Brookings Institution, 2008). Among the challenges to poor neighborhoods is that individual households that have enough resources to leave may choose to do so, contributing to even less circulating capital and an increasing withdrawal of businesses, fewer employed residents, weaker social and economic networks, and more empty buildings (Wilson, 1996). Cities like Detroit and Cleveland have, in fact, lost thousands of residents in recent decades.

The revival of economically devastated neighborhoods is an important public policy challenge. How can the fortunes of poor—particularly very poor—neighborhoods be reversed? How does such a process begin and what does it entail? What do you think?

In the following section we examine the issues of stratification and poverty from the functionalist and conflict perspectives. As you read, consider how these perspectives can be used as lenses for understanding phenomena like income and wealth inequality, household and neighborhood poverty, and other issues discussed above.

p.172

SARAH LEEN/National Geographic Creative

Herbert Gans suggests that poverty ensures a pool of workers “unable to be unwilling” to do difficult and dirty jobs for low pay. Such jobs could also be filled in the absence of poverty—through better pay and benefits. But, says Gans, this would be costly, and thus dysfunctional, to the nonpoor.

**WHY DO STRATIFICATION AND POVERTY EXIST AND PERSIST IN CLASS SOCIETIES?**

We find stratification in virtually all societies, a fact that the functionalist and social conflict perspectives seek to explain. The functionalist perspective highlights the ways in which stratification is functional for society as a whole. Social conflict theorists, in contrast, argue that inequality weakens society as a whole and exists because it benefits those in the upper economic, social, and political spheres. We take a closer look at each of these theoretical perspectives next.

**THE FUNCTIONALIST EXPLANATION**

Functionalism is rooted in part in the writings of sociologist Émile Durkheim (1893/1997), who suggested that we can best understand economic positions as performing interdependent functions for society as a whole. Using this perspective, we can think of social classes as equivalent to the different organs in the human body: Just as the heart, lungs, and kidneys serve different yet indispensable functions for human survival, so do the different positions in the class hierarchy.

In the middle of the 20th century, Kingsley Davis and Wilbert Moore (1945) built on these foundations to offer a detailed functionalist analysis of social stratification. They argued that in all societies some positions—the most “functionally important” positions—require more skill, talent, and training than others. These positions are thus difficult to fill—that is, they may suffer a “scarcity of personnel.” To ensure they get filled, societies may offer valued rewards like money, prestige, and leisure to induce the best and brightest to make “sacrifices,” such as getting a higher education, and to do these important jobs conscientiously and competently. According to Davis and Moore, social inequality is an “unconsciously evolved device by which societies ensure that the most important positions are conscientiously filled by the most qualified persons” (p. 243).

An implication of this perspective is that U.S. society is a meritocracy, *a society in which personal success is based on talent and individual effort.* That means your position in the system of stratification depends primarily on your talents and efforts: Each person gets more or less what he or she deserves or has earned, and society benefits because the most functionally important positions are occupied by the most qualified individuals. Stratification is then ultimately functional for society, because the differential distribution of rewards ensures that highly valued positions are filled by well-prepared and motivated people. After all, Davis and Moore might say, we all benefit when we get economic information from good economists, drive across bridges designed by well-trained engineers, and cure our ills with pharmaceuticals developed by capable medical scientists.

Clearly the idea that the promise of higher pay and prestige motivates people to work hard has some truth. Yet it is difficult to argue that the actual differences in rewards across positions are necessarily suitable ways of measuring the positions’ relative worth to society (Tumin, 1953, 1963, 1985; Wrong, 1959). Is an NBA point guard really worth more than a teacher or a nurse, for instance? Is a hedge fund manager that much more important than a scientist (particularly given that both positions require extensive education)?

Moreover, when people acquire socially important, higher-status positions by virtue of their skills and efforts, they are then often able to pass along their economic privilege, and the educational opportunities and social connections that go with it, to their children, even if their children are not particularly bright, motivated, or qualified. As Melvin Tumin (1953) points out in his critique of Davis and Moore, stratification may *limit* the discovery of talent in society rather than *ensuring* it, by creating a situation in which those who are born to privilege are given fuller opportunities and avenues to realize occupational success while others are limited by poor schooling, little money, and lack of networks upon which to call. Such a result would surely be dysfunctional for society rather than positively functional.

How would functionalism account for the fact that people are often discriminated against because of their skin color, sex, and other characteristics determined at birth that have nothing to do with their talents or motivations, resulting in an enormous waste of society’s human skills and talents? Can you see other strengths or weaknesses to Davis and Moore’s perspective on stratification?

p.173

Dimas Ardian / Stringer/Getty Images

The poor often face limited choices in terms of housing, employment, and transportation due to financial constraints. Their options are restricted by affordability with little room for personal preference. They may find themselves forced to purchase low-quality products, such as the decrepit vehicles pictured above.

In a twist on the functionalist perspective, sociologist Herbert Gans (1972) poses this provocative question: How is poverty positively functional in U.S. society? Gans begins with a bit of functionalist logic, namely, that if a social phenomenon exists and persists, it must serve a function or else it would evolve out of existence. But he does not assume that poverty is functional for everyone. So *for whom* is it functional? Gans suggests that eliminating poverty would be costly to the better-off. Thus, poverty is functional for the nonpoor, but not functional for the poor—or even for society as a whole.

Among the “benefits” to the nonpoor of the existence of a stratum of poor people, Gans includes the following:

•    Poverty ensures there will be low-wage laborers prepared—or driven by circumstances—to do society’s “dirty work.” These are the jobs no one else wants because they are demeaning, dirty, and sometimes dangerous. A large pool of laborers desperate for jobs also pushes down wages, a benefit to employers.

•    Poverty creates a spectrum of jobs for people who help the poor (social welfare workers), protect society from those poor people who transgress the boundaries of the law (prison guards), or profit from the poor (owners of welfare motels and cheap grocery shops). Even esteemed sociologist Herbert Gans has built an academic career on analyzing poverty.

•    Poverty provides a market for goods and services that would otherwise go unused. Day-old bread, wilting fruits and vegetables, and old automobiles are not generally purchased by the better-off. The services of second-rate doctors and lawyers, among others, are also peddled to the poor when no one else wants them.

•    Beyond economics, the poor also serve cultural functions. They provide scapegoats for society’s problems and help guarantee some status for those who are not poor. They also give the upper crust of society a socially valued reason for holding and attending lavish charity events.

Gans’s (1972) point is stark. He notes that the “functions” served by the poor have *functional alternatives*—that is, they could be fulfilled by means other than poverty. However, he suggests, those who are better-off in society are not motivated to fight poverty comprehensively because its existence is demonstrably functional for them. While he is not arguing that anyone is in favor of poverty (which is difficult to imagine), he is suggesting that “phenomena like poverty can be eliminated only when they become dysfunctional for the affluent or powerful, or when the powerless can obtain enough power to change society” (p. 288). Do you agree with his argument? Why or why not?

**THE SOCIAL CONFLICT EXPLANATION**

Social conflict theory draws heavily from the work of Karl Marx. As we saw in the opening chapter, Marx divided society into two broad classes: workers and capitalists, or *proletarians* and *bourgeoisie.* The workers do not own the factories and machinery needed to produce wealth in capitalist societies—they possess nothing of real value except their labor power. The capitalists own the necessary equipment—the *means of production*—but require the labor power of the workers to run it.

These economic classes are unequal in their access to resources and power, and their interests are opposed. Capitalists seek to keep labor costs as low as possible in order to produce goods cheaply and make a profit. Workers seek to be paid adequate wages and to secure safe, decent working conditions and hours. At the same time, the two groups are interdependent: The capitalists need the labor of the workers, and the workers depend on the wages they earn (regardless of how meager) to survive.

Although more than a century has passed since Marx formulated his theory, a struggle between workers and owners (or, in our time, between workers and owners, managers, and even stockholders, who all depend on a company’s profits) still exists. Conflict is often based on the irreconcilability of these competing interests. A recent study found that collective action lawsuits alleging wage and hour violations have skyrocketed, increasing 400% in the past 11 years. Among companies such as Bank of America, Walmart, and Starbucks, Taco Bell has been one of the latest to be sued for allegedly forcing employees to work overtime without pay (Eichler, 2012).

The source of inequality, from this perspective, lies in the fact that the bourgeoisie own the means of production and can use their assets to make more money and secure their position in society. Most workers do not own substantial economic assets aside from their own labor power, which they use to earn a living. While successful lawsuits for lost wages show that workers have avenues for asserting their rights against employers, the conflict perspective contrasts these small victories with the far more significant power and control exercised by large economic actors in modern society.

p.174

INEQUALITY MATTERS

**CHILD LABOR IN THE 21ST CENTURY**

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In early industrial America, some poor families sent children to work to support their households. Many employers welcomed young laborers, who were perceived to be more passive and less expensive than adult workers. Children worked in a variety of settings, including in canneries and the meatpacking industry, in the manufacture of textiles, and in agriculture; some peddled goods or shined shoes. Early in the 20th century, Congress passed two separate laws (in 1918 and 1922) seeking to regulate child labor, but the U.S. Supreme Court declared both unconstitutional. With the support of unions and other activists, however, the Fair Labor Standards Act of 1938 set minimum ages and maximum hours for young workers. These standards remain in effect today: 16 is the minimum age for work during school hours, and 14 is the minimum for certain jobs that can be done after school hours. For designated “dangerous” jobs, 18 is the minimum age.

A report released by the nonprofit advocacy group Human Rights Watch in 2014, however, raises the question of whether child labor in the United States is only a thing of the past. The introduction to the report, which focuses on child labor in the farming of tobacco, states:

Ninety percent of tobacco grown in the US is cultivated in four states: North Carolina, Kentucky, Tennessee, and Virginia. Between May and October 2013, Human Rights Watch interviewed 141 child tobacco workers, ages 7 to 17, who worked in these states in 2012 or 2013. Nearly three-quarters of the children interviewed by Human Rights Watch reported the sudden onset of serious symptoms—including nausea, vomiting, loss of appetite, headaches, dizziness, skin rashes, difficulty breathing, and irritation to their eyes and mouths—while working in fields of tobacco plants and in barns with dried tobacco leaves and tobacco dust. Many of these symptoms are consistent with acute nicotine poisoning. (pp. 3–4)

The report also notes that “child tobacco workers often labor 50 or 60 hours a week in extreme heat, use dangerous tools and machinery, lift heavy loads, and climb into the rafters of barns several stories tall, risking serious injuries and falls” (p. 3), and describes their exposure to the agricultural pesticides used in tobacco farming.

Why is it the case that more than 70 years after the passage of the Fair Labor Standards Act young workers are toiling in American tobacco fields? One important reason is that the laws pertaining to child labor are far more lax regarding agricultural labor than they are concerning other forms of work. For example, from age 12, children can be hired for unlimited hours outside school hours with parental permission; on small farms, there is no minimum age. Of course, children have worked on family farms for centuries, helping to sow and reap crops and tend farm animals. Government interference in rural traditions surrounding the family farm has not been welcomed. According to Human Rights Watch, however, most of the child workers interviewed in its study are not supporting their own family farms; most are, according to a *Washington Post* editorial on the subject, “day laborers, migrants or the children of migrants; some have U.S. citizenship, others don’t” (“Obama Administration,” 2014).

p.175

The editorial also points to a second reason that child agricultural labor is lightly regulated in spite of its consequences for young people and potential for exploitation: Rural agricultural interests have lobbied the U.S. Department of Labor in an effort to prevent passage of more restrictive laws. In 2012, for instance, they succeeded in derailing a department proposal to tighten rules on child labor. Notably, prior to the passage of child labor laws in the early 20th century, industrial and agricultural interests did not support the prohibition or regulation of child labor, which was cheap and beneficial to their production. In the early 21st century, the effort to protect children from dangerous labor is being waged—as it was a hundred years ago—by outside advocacy organizations, including Human Rights Watch and some immigrants’ rights groups.

**THINK IT THROUGH**

 If parents permit their children to work in order to supplement household income, should child labor in the tobacco fields (or other agricultural or even industrial settings) be permitted? What is the government’s appropriate role in regulating child labor? Who benefits from permissive laws on child labor? Who loses?

In short, the conflict perspective suggests that significant and persistent stratification exists because those who have power use it to create economic, political, and social conditions that favor them and their children, even if these conditions are detrimental to the lower classes. Inequality thus is not functional, as Davis and Moore argued. Rather, it is dysfunctional, because it keeps power concentrated in the hands of the few rather than creating conditions of meritocracy that would give equal opportunity to all.

Like the functionalist perspective, the conflict perspective has analytical weaknesses. It overlooks cooperative aspects of modern capitalist businesses, some of which have begun to take a more democratic approach to management, offering workers the opportunity to participate in decision-making processes in the workplace. Modern workplaces in the technology sector, for instance, thrive when decision making and the production of ideas come from various levels rather than just from the top down.

**WHY STUDY INEQUALITY?**

Many people today struggle to make ends meet on wages that have stagnated in recent decades. As we saw in this chapter’s opening story, the downward mobility of many in the U.S. middle class is spawning new investor interest in market sectors like low-cost trailer parks. We have looked at the dimensions of both class and inequality in the United States and asked why inequality exists and persists.

The questions raised by the theoretical perspectives we have studied are not just academic: They are critical to our understanding of the world in which we live and in which (if we so choose) we will raise our children. Is it the case, as functionalists Davis and Moore asserted, that inequality is positively functional for society, and that we collectively benefit from it because it ensures that the best and brightest take the most important jobs? Or, as Tumin argues, does inequality ensure just the opposite, limiting the discovery of the full range of talent in society? How much should we worry about inequality and its growth? The answer may depend on whether we subscribe to the functionalist or the conflict view of socioeconomic stratification.

What about poverty? Poverty in individual cases may be the result of bad luck or poor choices, but the sheer magnitude of the problem of poverty suggests that it has structural roots as well, and a full explanation cannot be found at the individual level. Neighborhood poverty, as we have seen, is also a key public issue, though it is certainly experienced as a personal trouble, even by residents of poor neighborhoods who are not poor. Why does poverty exist and persist in a country that is arguably the wealthiest in the world? This is a question that asks us to fire up our sociological imaginations.

The topics of class and inequality are among sociology’s most fundamental concerns. Recall that some of sociology’s important theoretical roots are in analyses of early industrial capitalism and its effects on society and the economy. Today, challenges include understanding the roots of growing income inequality, the effects of postindustrialism on different social groups, and the causes and consequences of contemporary household and neighborhood poverty. What are the questions about class and inequality that you find most compelling, and how would you go about studying them?

p.176

WHAT CAN I DO WITH A
SOCIOLOGY DEGREE?

**SKILLS AND CAREERS: QUANTITATIVE RESEARCH SKILLS**

Sociologists use quantitative research skills to conduct systematic empirical investigations of social phenomena using statistical methods. *Quantitative research comprises those studies in which data are expressed in terms of numbers.* The objective of quantitative research in sociology is to gather rigorous data and to use those numerical data to characterize the dimensions of an issue or the extent of a problem (this could include, for instance, the collection of statistical data on rates of obesity and poverty in neighborhoods or states and the calculation of the correlation of the two phenomena) and, often, to use those data to develop or test hypotheses about the roots of the problem at hand.

In [Chapter 7](https://jigsaw.vitalsource.com/books/9781506316628/epub/OEBPS/ch0007.xlink.xhtml), we saw a broad spectrum of quantitative data; such a spectrum is key to both academic studies and policy making on issues such as poverty, wealth and income inequality, and postindustrial changes in the labor market. We cited data collected by the U.S. government to measure household incomes and to establish the dimensions of the division of aggregate income across quintiles of earners. We also looked at data collected by the Pew Research Center on the gaps in net worth between Whites, Blacks, and Latinos. As you advance in your sociological studies, you will have the opportunity to become familiar with quantitative data on important sociological issues and to see how these data are used in analyses—and you will have the opportunity to learn how to do quantitative sociology. For example, you might learn to measure and compare trends in income differences by race, ethnicity, and gender or to assess the significance of variables such as neighborhood unemployment, educational attainment, and median income as predictors of neighborhood street crime.

Knowledge of quantitative methods is a valuable skill in today’s job market. Learning quantitative methods of research, which is an important part of a sociological education, prepares you to do a wide variety of *job tasks,* including survey development, questionnaire design, market research, brand health tracking, and financial quantitative modeling and analysis. These kinds of tasks are commonly part of the *job descriptions* of, among others, market research analysts, marketing specialists, social science research assistants, clinical research coordinators, criminal justice and law enforcement teachers, financial quantitative analysts, markets quantitative analysts, and statistical research analysts. These are jobs that can be found in a variety of *occupational fields,* including education, marketing, criminal justice, health and medicine, business and management, finance, and social science research.

**THINK ABOUT CAREERS**

 Social statistics are used in a broad variety of analyses of the social world, and researchers often use quantitative methods to study relationships between different sociological variables. How do you think the job tasks of people who use quantitative data in occupational fields such as marketing, health, criminal justice, and business might be similar to and different from what quantitative sociologists do?

p.177

**SUMMARY**

•    Class societies are more open than caste societies. In a caste society, a person’s position in the hierarchy is determined by ascribed characteristics such as race or birth status. In a class society, a person’s position is determined by what he or she achieves, and mobility is looked upon favorably. However, barriers to mobility similar to those in caste societies still exist in class societies.

•    Class refers to a person’s economic role in society, associated with income, wealth, and the type of work he or she does. Class position strongly influences an individual’s life chances—the opportunities and obstacles he or she encounters in areas such as education, social life, and work. Important components of class position are occupation, income, and wealth.

•    We can measure inequality in the United States by looking at disparities in income, wealth, health, and access to credit and goods. All these indicators show that inequality in the United States is substantial and growing.

•    Since the early 1970s, the gap between the rich and the poor has grown, as has the gap between the rich and everyone else. Some of this growth is attributable to the transformation of the U.S. economy from industrial to postindustrial, which has helped the best educated and hurt the least educated.

•    Poverty is a significant problem in the United States: In 2013, 14.5% of the population was officially poor. The formula used to measure poverty gives us a sense of the problem, but it has limitations of which we should be aware.

•    Researchers distinguish between household (or individual) poverty and neighborhood poverty. Studies suggest that living in a poor neighborhood amplifies the effects of poverty and also poses challenges, including limited mobility, for nonpoor residents.

•    Functionalist theorists argue that inequality exists and persists because it is positively functional for society. According to this perspective, inequality is necessary to motivate the best people to assume the most important occupational positions.

•    Conflict theorists argue that the privileged classes benefit from inequality and that inequality inhibits the discovery of talented people rather than fostering it. This perspective suggests that classes with differential access to power and resources are in conflict and that the interests of the well-off are most likely to be realized.

**KEY TERMS**

social inequality, [157](https://jigsaw.vitalsource.com/books/9781506316628/epub/OEBPS/ch0007.xlink.xhtml#page157)

social stratification, [157](https://jigsaw.vitalsource.com/books/9781506316628/epub/OEBPS/ch0007.xlink.xhtml#page157)

caste society, [157](https://jigsaw.vitalsource.com/books/9781506316628/epub/OEBPS/ch0007.xlink.xhtml#page157)

class society, [158](https://jigsaw.vitalsource.com/books/9781506316628/epub/OEBPS/ch0007.xlink.xhtml#page158)

social categories, [158](https://jigsaw.vitalsource.com/books/9781506316628/epub/OEBPS/ch0007.xlink.xhtml#page158)

achieved status, [158](https://jigsaw.vitalsource.com/books/9781506316628/epub/OEBPS/ch0007.xlink.xhtml#page158)

ascribed status, [158](https://jigsaw.vitalsource.com/books/9781506316628/epub/OEBPS/ch0007.xlink.xhtml#page158)

class, [159](https://jigsaw.vitalsource.com/books/9781506316628/epub/OEBPS/ch0007.xlink.xhtml#page159)

life chances, [159](https://jigsaw.vitalsource.com/books/9781506316628/epub/OEBPS/ch0007.xlink.xhtml#page159)

social mobility, [159](https://jigsaw.vitalsource.com/books/9781506316628/epub/OEBPS/ch0007.xlink.xhtml#page159)

income, [160](https://jigsaw.vitalsource.com/books/9781506316628/epub/OEBPS/ch0007.xlink.xhtml#page160)

wealth (or net worth), [160](https://jigsaw.vitalsource.com/books/9781506316628/epub/OEBPS/ch0007.xlink.xhtml#page160)

net financial assets, [161](https://jigsaw.vitalsource.com/books/9781506316628/epub/OEBPS/ch0007.xlink.xhtml#page161)

occupation, [161](https://jigsaw.vitalsource.com/books/9781506316628/epub/OEBPS/ch0007.xlink.xhtml#page161)

status, [161](https://jigsaw.vitalsource.com/books/9781506316628/epub/OEBPS/ch0007.xlink.xhtml#page161)

political power, [161](https://jigsaw.vitalsource.com/books/9781506316628/epub/OEBPS/ch0007.xlink.xhtml#page161)

food deserts, [166](https://jigsaw.vitalsource.com/books/9781506316628/epub/OEBPS/ch0007.xlink.xhtml#page166)

official poverty line, [169](https://jigsaw.vitalsource.com/books/9781506316628/epub/OEBPS/ch0007.xlink.xhtml#page169)

meritocracy, [172](https://jigsaw.vitalsource.com/books/9781506316628/epub/OEBPS/ch0007.xlink.xhtml#page172)

p.178

**DISCUSSION QUESTIONS**

1.   What is the difference between wealth and income? Why is it sociologically important to make a distinction between the two? Which is greater in the United States today, the income gap or the wealth gap?

2.   What are the key dimensions and trends related to income inequality in the United States today? What about wealth inequality? How would you expect these trends to evolve or change in the coming decade? Explain your reasoning.

3.   Herbert Gans talks about the “uses of poverty” for the nonpoor. Recall some of his points presented in the chapter and then add some of your own. Would you agree with the argument Gans makes about the existence and persistence of poverty? Why or why not?

4.   How is the poverty rate determined in the United States? What is the origin of this formula, and what are its strengths and weaknesses?

5.   What is the difference between individual or household poverty and neighborhood poverty? Why is the distinction important? How does being poor in a poor neighborhood amplify the effects of economic disadvantage?

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| 8 | GLOBAL INEQUALITYAND POVERTY |

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Media Library

CHAPTER 8 Media Library

**AUDIO**

[Internet in Africa](http://www.npr.org/2014/05/26/315978218/mobile-internet-comes-to-africa-in-a-big-way)

**VIDEO**

[World Poverty and Education](http://www.ted.com/talks/charles_leadbeater_on_education.html)

[Family Planning](http://www.prb.org/Multimedia/Video/2013/girls-ed-health-engage-short.aspx)

[Women’s Education](https://www.playposit.com/listcode/466564/cb582a)

[Emerging Global Middle Class](http://www.npr.org/templates/story/story.php?storyId=89119312)

**CQ RESEARCHER**

[Global Wealth Disparities](http://www.psmag.com/navigation/business-economics/the-wealth-of-nations-the-u-s-leads-the-globe-in-inequality-63151/)

[Global Hunger](https://edge.sagepub.com/system/files/Chambliss2e_8.1CQR)

[Global Security](https://edge.sagepub.com/system/files/Chambliss2e_8.2CQR)

**PACIFIC STANDARD MAGAZINE**

[Global Poverty Antidote](http://www.psmag.com/navigation/business-economics/a-poverty-antidote-goes-global-4049/)

**JOURNAL**

[Why Global Inequality Matters](http://ipt.sagepub.com/cgi/reprint/7/2/140?ijkey=WnecB6RjJCAwo&keytype=ref&siteid=spipt)

[Globalization, Education and Stratification](http://cus.sagepub.com/cgi/reprint/8/3/222?ijkey=XOjSJVsdHcTc.&keytype=ref&siteid=spcus)

p.181

IN THIS CHAPTER

[Dimensions of Global Inequality and Poverty](https://jigsaw.vitalsource.com/books/9781506316628/epub/OEBPS/ch0008.xlink.xhtml#s1-1)

[Technology: The Great Equalizer?](https://jigsaw.vitalsource.com/books/9781506316628/epub/OEBPS/ch0008.xlink.xhtml#s1-2)

[Theoretical Perspectives on Global Inequality](https://jigsaw.vitalsource.com/books/9781506316628/epub/OEBPS/ch0008.xlink.xhtml#s1-3)

[Is There a Global Elite?](https://jigsaw.vitalsource.com/books/9781506316628/epub/OEBPS/ch0008.xlink.xhtml#s1-4)

[Why Study Global Inequality From a Sociological Perspective?](https://jigsaw.vitalsource.com/books/9781506316628/epub/OEBPS/ch0008.xlink.xhtml#s1-5)

**WHAT DO YOU THINK?**

**1.**   What is global inequality? What indicators can be used to measure it?

**2.**   Why are some countries tremendously prosperous while others are desperately poor?

**3.**   How might the spread of modern technologies like mobile phones have an impact on inequality?

p.182

WEALTH AND POVERTY ON THE ROAD

Reuters/Finbarr O’Reilly (CHAD)

How did you get to your sociology class today? Perhaps you walked from your dormitory, or maybe you took a bus or the subway to the campus. You may have driven a car or ridden your bicycle from home or work. How did you reach your last vacation destination? Did you fly, drive, or maybe take the train? Did you go by ship? There are many ways in which we reach the places we need or want to go—school, a job, the doctor’s office, the mall, an amusement park, a friend’s home. The means people choose—or are compelled by circumstances to use—to get where they are going can tell us something about their economic conditions as well. Consider the following two stories.

According to a recent article in the *New York Times*: “If you wish and are a person of means, you can fly first-class round trip in luxury between Los Angeles and Dubai on an Emirates Airline A380 superjumbo jet. You will enjoy superb food and drink and be cosseted in a private compartment with a sliding door, a lie-flat seat with mattress, a vanity, a personal minibar and flat-screen television set, and a luxury bathroom down the aisle where you can take a shower. The fare: $32,840” (Sharkey, 2014). The article points out that in the middle of the 20th century, flying was often luxurious, but it was largely limited to the very few passengers who could afford air travel in its early days. By the 1970s, more Americans had economic access to air travel as fares fell, but the level of airborne comfort became increasingly stratified in the decades that followed. The article notes that “technology, including elaborate premium cabin and in-flight entertainment innovations, began more sharply delineating first and business class from coach when British Airways and Virgin Atlantic introduced lie-flat beds in luxurious new international business-class cabins in the mid-’90s.” Today, “premium passengers” account for just over 8% of the share of fliers; the rest share the increasingly cramped quarters of economy class high in the sky.

On the ground, 30,000 feet below the jets crisscrossing the world’s oceans and continents, many communities are unable to meet even the most basic transportation needs. According to a report by World Bank researchers, women in particular struggle across much of the developing world with finding safe, reliable, and affordable transportation: “Women in most developing countries have very limited access to transport services and technology. This imposes severe constraints on their access to health, education and other social facilities and services, making them and their children more vulnerable to serious injury or death as a result of childbirth or another medical emergency” (Riverson, Kunieda, Roberts, Lewi, & Walker, 2006, p. 2). Among the problems encountered by women are lack of access even to donkeys, mules, or wheelbarrows to carry water or firewood: “Consequently the women experienced not only the physical burden of transportation by back loading and head loading but also the time burden as a result of the lack of transport” (p. 4). Amnesty International (2010) has focused a campaign on rural South African women whose lack of access to transportation puts them at greater risk of illness or injury, as it limits their ability to reach health providers or shelter from gender-based violence.

p.183

Across the globe, countries, communities, and households are stratified: While some struggle to meet the most basic needs, others enjoy comfortable lives, broad opportunities, and modern amenities. We begin this chapter with a look at the some of the dimensions of global inequality, examining such factors as per capita income, literacy, education, sanitation, and health in order to understand more about the hierarchy of countries that exists in our global system. We consider one area—mobile technology—where the gap is closing. This is followed by a look at theoretical perspectives that seek to understand why these deep global disparities exist and persist. We then consider the question of whether there exists a global elite that crosses national boundaries and what its characteristics may be. We end with a brief consideration of the question of why sociologists take an interest in global inequality.

**DIMENSIONS OF GLOBAL INEQUALITY AND POVERTY**

Much of the world is poor. According to the Population Reference Bureau (2011), about 48% of the earth’s inhabitants live on the equivalent of less than $2 a day. Almost all of these deeply impoverished people live in the developing world. Just a small fraction of the world’s population consumes much of its valued resources: The United States is home to less than 5% of the globe’s population but uses about a fifth of the oil, coal, and natural gas produced globally (U.S. Energy Information Administration, 2011).

We can identify a global class system with some very wealthy states (although, of course, as we saw in [Chapter 7](https://jigsaw.vitalsource.com/books/9781506316628/epub/OEBPS/ch0007.xlink.xhtml), not all their inhabitants share the good fortune), some very poor states, and a wide swath of countries in between ([Figure 8.1](https://jigsaw.vitalsource.com/books/9781506316628/epub/OEBPS/ch0008.xlink.xhtml#fig8.1)). In this chapter, we look at some of the dimensions of this global inequality, which can be defined as the *systematic disparities in income, wealth, health, education, access to technology, opportunity, and power among countries, communities, and households around the world.* While the focus is largely on differences among countries, we will see that these are only one part of a broader picture of global inequality.

We follow the World Bank in categorizing countries using four economic categories: high income, upper-middle income, lower-middle income, and low income ([Figure 8.1](https://jigsaw.vitalsource.com/books/9781506316628/epub/OEBPS/ch0008.xlink.xhtml#fig8.1)). Beginning in July 2014, the World Bank defined these classifications quantitatively using the following gross national income (GNI) per capita limits:

•    Low-income economies: $1,045 or less

•    Lower-middle-income economies: $1,046 to $4,125

•    Upper-middle-income economies: $4,126 to $12,745

•    High-income economies: $12,746 or more

Qualitatively, we can describe the *high-income countries* as those that are highly industrialized, characterized by the presence of mass education, and both urbanized and technologically advanced. Among the high-income countries we find nations such as the United States, Canada, Japan, Germany, Norway, Estonia, and Australia. High-income countries are home to about 15% of the global population.

More than 70% of the world’s population lives in *middle-income countries* (the lower- and upper-middle categories combined), which include a wide variety of nations, among them former Soviet states like Armenia and Belarus; South and Central American states like Brazil and Belize; Middle Eastern countries like Lebanon and Iran; Asian states such as Indonesia, India, and China; and African countries like Morocco and Senegal. Many of these countries are on a path to economic diversification and development, though most also started down the road to urbanization and industrialization much later than the high-income countries and still lag in instituting mass education. Some middle-income countries, like those in the Middle East and Africa, are home to vast natural resources, though the conversion of those resources to shared prosperity has, for reasons that theorists and observers debate, not been widespread.

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|  | [Global Wealth DisparitiesCLICK TO SHOW](http://www.psmag.com/navigation/business-economics/the-wealth-of-nations-the-u-s-leads-the-globe-in-inequality-63151/) |
|  | [World Poverty and EducationCLICK TO SHOW](http://www.ted.com/talks/charles_leadbeater_on_education.html) |

p.184

**FIGURE 8.1 High-Income, Upper-Middle-Income, Lower-Middle-Income, and Low-Income Countries**

SOURCE: Country and Lending Groups. The World Bank.

Like high-income countries, *low-income countries* constitute a relatively small proportion of the global total. Many are agricultural states with rapidly growing populations. While urbanization is a growing phenomenon, cities in these countries often lack the jobs and services that rural migrants seek, and both rural and urban dwellers struggle with hunger and malnutrition, economic and educational deprivatioon, and preventable diseases. Low-income countries may have small and wealthy groups of elites, but they lack stable middle-class populations. Low-income countries include South Asian states like Bangladesh and Cambodia, as well as Africa’s poorest countries, like Somalia and the Central African Republic.

In the remainder of this section, we describe some of ways in which inequalities are manifested around the globe. Later in the chapter, we consider the key question of *why* this inequality exists and persists and examine various theoretical perspectives on the issue.

We begin with a look at gross national income–purchasing power parity per capita (GNI-PPP), *a comparative economic measure that uses international dollars to indicate the amount of goods and services someone could buy in the United States with a given amount of money.* At one end of the class spectrum, we find countries with very high GNI-PPP, such as the United States ($50,610), Canada ($42,690), Norway ($64,030), Switzerland ($54,870), and Japan ($36,320). In the middle are countries ranging from South Korea ($30,890) and Estonia ($21,990) to Turkey ($17,500) and Brazil ($11,720). At the bottom are countries whose GNI-PPP can be as low as that of Nicaragua ($3,960) or Kenya ($1,760; Population Reference Bureau, 2013). While GNI-PPP cannot tell us a great deal about the resources of individual families in the given countries, it gives us some insight into the economic resources available to the state and society from a macro perspective, and it offers a comparative measure for looking at stratification in the global system.

**HUNGER, MORTALITY, AND FERTILITY IN POOR COUNTRIES**

As we saw in our discussion of social stratification in the United States, one important indicator of inequality is health. One key aspect of good health is adequate food, in terms of both sufficient calories and good nutrition. While the world has the capacity to produce enough food for all its inhabitants, the Food and Agriculture Organization of the United Nations (2012) estimates that 870,000 million people are chronically undernourished, including about 15% of the population of developing states. At the turn of the millennium, the United Nations set as a goal the substantial reduction of hunger around the globe. In fact, data suggest that there have been marked improvements in access to adequate food supplies in many of the world’s regions, most notably in those that have experienced rapid economic growth, including parts of Southeast Asia and Central and South America. At the same time, hunger has increased in other areas, including sub-Saharan Africa ([Figure 8.3](https://jigsaw.vitalsource.com/books/9781506316628/epub/OEBPS/ch0008.xlink.xhtml#fig8.3)).

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|  | [Global Poverty AntidoteCLICK TO SHOW](http://www.psmag.com/navigation/business-economics/a-poverty-antidote-goes-global-4049/) |
|  | [Global HungerCLICK TO SHOW](https://edge.sagepub.com/system/files/Chambliss2e_8.1CQR) |

p.185

**BEHIND THE NUMBERS**

**THE CHALLENGE OF MEASURING GLOBAL POVERTY**

The United Nations estimates that in 2013, about 1.2 billion people around the world were living in “extreme poverty.” The U.N. *Millennium Development Goals Report 2013* offers both encouraging and discouraging figures in its review of the organization’s goals on poverty reduction in the world’s most economically disadvantaged communities and countries. On one hand, the report points out that “poverty rates have been halved, and about 700 million fewer people lived in conditions of extreme poverty in 2010 than in 1990” (United Nations, 2013b, p. 6). On the other hand, improvements have not reached every region: “Sub-Saharan Africa is the only region that saw the number of people living in extreme poverty rise steadily, from 290 million in 1990 to 414 million in 2010” (p. 7).

When the United Nations offers these figures to show both progress and stagnation in the pursuit of development goals, what do the numbers illuminate about the condition of countries, communities, and households—and what do they obscure?

The measure used to obtain the figures—including 1.2 billion living in extreme poverty worldwide and 48% in sub-Saharan Africa and 30% in Southern Asia living in extreme poverty—is the absolute poverty threshold of “living on less than $1.25 a day.” The measure, then, is based on income, largely as reported by countries themselves using national household surveys (United Nations, 2013b, pp. 6–7).

In a historical perspective on poverty, economist Peter Townsend (2006) points out that “poverty concepts have evolved, based on ideas of subsistence, basic needs and relative deprivation” (p. 5). *Subsistence* implies that those below the poverty line lack the resources to sustain their basic physical needs. An income threshold such as that used by the United Nations is one way of using “subsistence” to define poverty.

**FIGURE 8.2 Percentages of People Living on Less Than $1.25 a Day, 1990, 2005, and 2010**

SOURCE: *The Millennium Development Goals Report 2013.* Copyright © United Nations, 2013. Reprinted with permission from the United Nations.

NOTE: No sufficient country data are available to calculate the aggregate values for Oceania.

The idea of *basic needs* represents recognition of poverty as a condition of multiple deprivations. Consistent with the declaration adopted at the World Summit on Social Development in 1995, absolute poverty can be understood qualitatively as “a condition characterized by severe deprivation of human needs, including food, safe drinking water, sanitation facilities, health, shelter, education, and information. It depends not only on income but also on access to services” (quoted in Gordon, 2005). In this conception, poverty is recognized as a condition in which one is deprived of economic and social needs. The United Nations Development Programme does, in fact, use as a measure the multidimensional Human Poverty Index (HPI), which draws together phenomena like early mortality risk, adult illiteracy, and access to safe drinking water. Interestingly, income poverty and “human poverty” are not always correlated as one might expect: Some countries with low income poverty have high “human poverty” because investment in public resources like education and health is low; other countries with higher income poverty have better measures on the HPI because they offer more expansive services to poor populations (Fukuda-Parr, 2006).

p.186

*Relative deprivation* is a newer formulation of the concept of poverty that puts economic disadvantage in a comparative frame, recognizing that rising standards of living in some places render more acute the real and perceived deprivations in others. Townsend (2006) writes that, in this perspective, “poor people are not just the victims of a maldistribution of resources but... they lack, or are denied, the resources to fulfill social demands and observe the customs, as well as the unfolding laws, of society” (p. 6).

What, then, is poverty? Absolute poverty on a global scale is widely measured as living below the income threshold of $1.25 per day. But is poverty only about income? Or is poverty a more broadly experienced marginality that is social, educational, and political, as well as economic? Should poverty be measured relative to a societal or community-defined standard of living? What do you think?

**THINK IT THROUGH**

 How useful are measures like the $1.25 per day income measure of poverty used by the United Nations or the widely cited World Bank income measure of $2.00 per day in illuminating global deprivation? What do these measures tell us? What do they fail to show?

**TABLE 8.1   Global Inequality Indicators**

SOURCES: Population Reference Bureau. (2011). *2011 World Population Data Sheet;* Population Reference Bureau. (2013). *2013 World Population Data Sheet.*

An important cause of hunger at the household level is poverty; many of those who lack sufficient food do not have the economic resources to acquire it. Subsistence farmers in developing countries, many of whom survive from season to season on their own small-scale crop yields, are vulnerable to weather events and natural disasters that can push their families into destitution and starvation. Hunger at a community level is more complex. While entire communities may suffer poverty and malnutrition, large-scale hunger is often the outcome of political decisions or armed conflicts. In early 2014, for example, Amnesty International reported that the government of Bashar al-Assad in Syria was preventing the delivery of food supplies to civilians in areas held by his opponents in the Syrian civil war that has raged since 2011. Regardless of the causes of hunger, the costs of undernourishment are serious and often lasting: By one estimate, fully 25% of all children under age 5 are stunted—that is, their growth progression is impaired—by lack of access to adequate nutrition (United Nations Educational, Scientific, and Cultural Organization [UNESCO], 2014b).

In evaluating global health, we can also compare across countries the infant mortality rate—that is, *the number of deaths of infants under age 1 per 1,000 live births per year.* This figure gives some insight into the health status of populations, and of women and children in particular, because infant mortality rates are lowest in states that offer access to safe pre- and antenatal care and sanitary childbirth facilities, as well as good nutrition during pregnancy. Consider the vast differences in the infant mortality rates among categories of countries: In 2013, the most developed countries had an infant mortality rate of just 5 per 1,000 live births. By contrast, the less developed countries had a rate of 44 per 1,000 live births and the least developed countries posted a rate of 66 per 1,000 live births. Across specific countries, rates vary from lows in countries such as Norway (2.4) and Austria (3.1) to highs such as those in Haiti (59), Pakistan (74), and Sierra Leone (128; Population Reference Bureau, 2013).

p.187

**FIGURE 8.3 Number of Undernourished by Region, 1990–1992 and 2011–2013 (in millions)**

SOURCE: *The State of Food Insecurity in the World 2013. Economic growth is necessary but not sufficient to accelerate reduction of hunger and malnutrition.* Food and Agriculture Organization of the United Nations. Reproduced with permission.

NOTE: The areas of the pie charts are proportional to the total number of undernourished in each period. All figures are rounded.

Marc Jourdier/Afp/Getty Images

Total fertility rates have fallen across the developing world as more families gain access to information on family planning and to safe, effective contraception. In sub-Saharan Africa, however, at least a quarter of couples who would like to postpone their next birth by 2 years do not use contraception (Guengant & May, 2013).

Global health indicators like infant and child mortality rates are linked not only to income differences *between countries* but also to income stratification *within countries.* Data suggest that those countries with highly unequal distribution of income also experience highly variable health outcomes. For instance, in Cambodia, which is deeply stratified by income, among the top fifth of income earners the infant mortality rate is 23 per 1,000 live births, while for those in the bottom fifth the rate is 77 per 1,000 live births (Population Reference Bureau, 2013).

Our discussion of health may also be linked to the issue of fertility. Demographers measure total fertility rate (TFR), which is *the average number of children a woman in a given country will have in her lifetime if age-specific fertility rates hold throughout her childbearing years* (ages 15–49). We can use this measure to look at childbearing over space and time. It is notable that many of the world’s poorest countries have the highest fertility rates. For example, while the TFR is 1.8 in Norway, 1.4 in Germany, and 2.1 in the United States, rates in the least developed countries remain high. In 2013, some of the world’s highest TFRs were found in Somalia (6.8), the Central African Republic (6.3), Nigeria (6.0), and Afghanistan (5.4). Rates of fertility within many countries also vary by economic status; for instance, in the African country of Uganda, women in the top fifth of the income hierarchy have a TFR of 4.0, while their sisters in the lowest fifth have a TFR that is nearly double (7.9; Population Reference Bureau, 2013).

What sociological factors help explain differences in fertility? One factor is the link between infant and child mortality and fertility: In regions or countries where early child survival is threatened by disease, poverty, or other risks, families may choose to have more children in order to ensure that some survive into adulthood to contribute to the household and care for elderly parents, particularly in countries without social welfare supports for retirees. Second, it has been said that children are a poor man’s riches—indeed, in many agricultural economies, many hands are needed to do work, and children are active contributors to a family’s economic well-being. Economic modernization correlates historically with drops in fertility (see [Chapter 17](https://jigsaw.vitalsource.com/books/9781506316628/epub/OEBPS/ch0017.xlink.xhtml) for a fuller discussion of this topic). As well, where a lack of access to maternal and child health care is common, there may also be little access to safe, effective contraceptives that would enable women to control their fertility. In Nigeria, for instance, which has a TFR of 6.0, less than 10% of women use modern contraceptive methods (Population Reference Bureau, 2013).

p.188

AP Photo/UNRWA

The Syrian civil war has led to massive displacement of residents, many of whom have lost homes, work, and family members in the conflict. In this 2014 photo, refugees in the capital city of Damascus queue up to receive desperately needed food supplies.

**SAFE SANITATION**

Access to safe, hygienic sanitation facilities has emerged as an issue of public health concern for many poor communities, but also as an issue of dignity and security for girls and women. Specifically, female inhabitants of communities that lack accessible, safe toilet facilities face serious vulnerabilities when they need to meet normal bodily needs. Consider the following story from June 2014: In a small Indian village in the northern state of Uttar Pradesh, two girls, ages 12 and 14, went together one evening to relieve themselves in the wild bamboo fields several minutes from their home, which has no bathroom facilities. In the darkness, the girls were brutally attacked, raped, and hanged from a mango tree, allegedly by three brothers (Banerjee, 2014).

The majority of India’s 1.2 billion inhabitants do not have access to private toilets or latrines. According to the Population Reference Bureau (2013), just 60% of urban Indians and 24% of rural Indians were using “improved sanitation facilities” in 2011; while this measure focuses on the “hygienic separation of sewage from human contact” rather than safety or privacy, it points to a presence or lack of access to basic toilet facilities. In Uttar Pradesh, which is the country’s largest state, about 64% of Indians have no indoor plumbing (McCarthy, 2014). Although some villages have public bathrooms, one press account notes that “many women avoid using them because they are usually in a state of disrepair and because men often hang around and harass the women.” The same report quotes a local Indian police official’s estimate that more than 60% of rapes occur in similar circumstances (Banerjee, 2014). A 2012 study reported that “approximately 30% of women from the underprivileged sections of Indian society experience violent sexual assaults every year because lack of sanitation facilities forces them to go long distances to find secluded spots or public facilities to meet their bodily needs” (Bhatia, 2013).

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|  | [Family PlanningCLICK TO SHOW](http://www.prb.org/Multimedia/Video/2013/girls-ed-health-engage-short.aspx) |

p.189

Reuters/Muhammad Hamed

In 2014, an outbreak of Ebola in West Africa killed thousands of victims. Poor health-care infrastructure in countries like Liberia, Sierra Leone, and Guinea contributed to the spread of the devastating disease. In this photo, a Liberian health-care worker sprays a suspected victim with disinfectant to reduce the risk that his remains would infect others.

The problem is not limited to India. Similar stories of violation and violence have been documented from Nepal to South Africa, where private toilet facilities are the exception rather than the rule (Bhatia, 2013). In Nepal, for instance, just 50% of urban residents and 32% of rural Nepalese were using “improved sanitation facilities” in 2011. Figures on access to safe and sanitary facilities vary from a full 100% in most developed countries to just 4% for rural residents of Niger (Population Reference Bureau, 2013). According to the United Nations, about 2.5 billion people still lack access to basic, safe sanitation facilities, a figure linked not only, as noted above, to violence and degradation of women but also to high rates of diarrheal diseases among children. Reduction of that number is one of the Millennium Development Goals set by the United Nations for the improvement of global economic, environmental, and social progress and security in the 21st century.

**EDUCATION MATTERS**

Reuters/Muhammad Hamed

In 2012, Pakistani schoolgirl Malala Yousafzai was shot three times by a gunman after she publicly advocated for education in a region controlled by Taliban fighters whose interpretation of Islam forbids the education of girls. Malala recovered and has continued her passionate fight for female education around the world.

In most developed countries, nearly all young people complete primary school, and most move on to high school. In less developed states, access to education is more limited, and the opportunity to go to school may be affected by a spectrum of factors. In some countries and communities, girls are discouraged or even prevented from attending school by economic or cultural factors. In others, school fees present obstacles to poor families who cannot afford to enroll their children. Sometimes schools and teachers are themselves not available because of the presence of armed conflict or the absence of communities that could sustain them.

A study by the United Nations Educational, Scientific, and Cultural Organization found that in 2011, about 57 million children worldwide were out of school. While many children do not attend school because of armed conflicts in their countries or regions, about half of those not in school are, according to UNESCO (2014b), “expected never to make it to school” (p. 8). In the poorest countries, many children are without access to basic education: In sub-Saharan Africa, for instance, less than a quarter of girls have completed primary education. Even where schools are available in poor countries, the quality of education is lacking: UNESCO reports that about 250 million children are without basic literacy and numeracy skills, although about half of them have completed at least 4 years of school. Inadequate teacher preparation may combine with overcrowding—the African state of Malawi reported an average of 130 children in a grade 1 classroom—and lack of textbooks to render efforts to educate children ineffective. Issues discussed earlier, including the lack of safe transportation and toilet facilities, may also discourage children, and particularly girls, from attending school regularly.

Uneducated or poorly educated children pass into adulthood without basic skills. Literacy and numeracy skills not achieved in the years of primary school are rarely achievable in adulthood in developing countries, which have not established a tradition of adult education. UNESCO (2014b) estimates that in 2011 there were 774 million fully illiterate adults worldwide, about two-thirds of whom were women. Interestingly, about 72% of illiterate adults are concentrated in just 10 countries ([Figure 8.4](https://jigsaw.vitalsource.com/books/9781506316628/epub/OEBPS/ch0008.xlink.xhtml#fig8.4)).

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|  | [Global SecurityCLICK TO SHOW](https://edge.sagepub.com/system/files/Chambliss2e_8.2CQR) |
|  | [Women’s EducationCLICK TO SHOW](https://www.playposit.com/listcode/466564/cb582a) |

p.190

**FIGURE 8.4 Countries With the Highest Rates of Illiteracy, 1985–1994 and 2005–2011**

SOURCE: *Teaching and Learning: Achieving Quality for All.* Copyright © UNESCO 2014. Reprinted by permission of the UNESCO Institute for Statistics.

\*Data for 1985–1994 not available.

Education improves the lives of communities and families in a multitude of ways. UNESCO (2014b) estimates that, on the global level, a year of school can equal a 10% boost in income. Education benefits both those who work for wages, by improving skills, and those who farm, by increasing access to knowledge about effective, efficient farming methods. Education also helps workers to avoid exploitation and better advocate for their interests. Apart from opening up broader avenues for economic advancement, better education is also linked to positive health outcomes. This relationship is particularly strong for women’s education and child health outcomes. Research has documented a positive correlation between maternal education (even at the primary level) and decreased risk of child mortality (Glewwe, 1999; LeVine, LeVine, Schnell-Anzola, Rowe, & Dexter, 2012). For instance, a recent study on Nigeria found that better reading skills among mothers were linked to lower rates of child mortality (Smith-Greenaway, 2013). Other work suggests that greater maternal education translates into a greater probability that a woman’s children will be educated (UNESCO, 2014b).

Significant strides have been made in many countries and regions in recent decades in educating young people, and women in particular, but much remains to be done. Currently, about a quarter of young people in the low-income and lower-middle-income countries are unable to read a sentence (UNESCO, 2014b).

**TECHNOLOGY: THE GREAT EQUALIZER?**

As we have seen, global inequality is manifested today in a broad spectrum of ways, ranging from a lack of income and food to little access to good education and sanitation. At the same time, new technologies have emerged whose adoption has not been limited to the well-off. Consider the mobile phone, a technology that is bringing opportunities and change to many of the world’s developing countries and their populations.

A finding of India’s most recent decennial census (conducted in 2011) is that about 53% of India’s estimated 1.2 billion people have mobile phones, even though only a little over 36% have toilets in their homes and an even smaller percentage have indoor sources of drinking water (Hannon, 2012; see [Figure 8.5](https://jigsaw.vitalsource.com/books/9781506316628/epub/OEBPS/ch0008.xlink.xhtml#fig8.5)). In China, one finds a similar contrast between the absence of basic household amenities and the adoption of new technologies: According to a report by the United Nations (2013b), in China 14 million people have no access to toilets in their homes, but 980 million of China’s 1.3 billion inhabitants have cell phones. Across the globe, mobile phone use has surged; according to a summary of the report, “of the world’s seven billion people, six billion have mobile phones” (United Nations, 2013a).

While, as noted earlier in the chapter, the absence of safe and sanitary toilet facilities is a burden and danger to communities, the mass global adoption of the mobile phone is, data suggest, an important change with the potential to affect health, education, agriculture, and social activism, among other facets of life. A recent online article posted by the *MIT Technology Review* notes out that in just over a decade, Africa has transformed from a continent with little telecommunications infrastructure to a continent where about one in six inhabitants has a mobile phone; for example, “Nigeria alone has gone from a nation of just 30,000 cell subscriptions in 2000 to more than 140 million today, or roughly 87 percent penetration” (Berkley, 2013). It has been estimated that Africa will have a billion mobile phones by 2016 (Ogunlesi & Busari, 2012). This change has important implications for health care on the continent: For instance, birth registrations that parents can easily complete on their mobile phones can make government databases on live births and infant mortality more accurate. Also, mobile phone technology can improve the operation of the vaccine supply chain by allowing real-time data on vaccine availability or deficits in clinics to reach suppliers (Berkley, 2013). Scientists hope that this technology will eventually be used for diagnostic purposes, enabling even residents of remote areas to access medical advice.

**FIGURE 8.5 Ownership of Select Assets and Household Amenities in India 2011**

SOURCE: “India’s Census: Lots of Cellphones, Too Few Toilets,” by Elliot Hannon. NRP. April 08, 2012. Indian Census 2011. Melanie Taube/NPR

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|  | [Internet in AfricaCLICK TO SHOW](http://www.npr.org/2014/05/26/315978218/mobile-internet-comes-to-africa-in-a-big-way) |

p.191

Steve Winter/National Geographic Creative

Mobile phone technology has begun to reach even the remotest parts of the globe, bringing new opportunities for contact and commerce, as well as activism, education, and health care.

Mobile phones are also having an effect on education and literacy across the globe. In South Africa, for instance, the country’s most popular social media platform has partnered with a global telecommunications firm to offer an accessible math-teaching tool to users, and it is hoped that such technology can eventually be used to offer a wide variety of lessons to students (Ogunlesi & Busari, 2012). No less important, access to mobile phones is providing access to books for both new and advanced readers. As a UNESCO (2014a) report notes, “Many people from Lagos to La Paz to Lahore... do not read for one reason: they don’t have books” (p. 13). The report goes on to observe that “a well-respected study of 16 sub-Saharan African countries found that most primary schools have few or no books, and in many countries these low levels are not improving” (Ross, 2010, cited in UNESCO, 2014a, pp. 13–14). This lack of books may compromise reading acquisition and have longer-term academic consequences. As well, mobile phone technology offers opportunities to read—whether for pleasure, formal education, reading to children, or news—to those who may lack the resources to obtain text for reading in other ways. If 6 billion of the world’s 7 billion people can now access working mobile phones, a new world of literacy may be at their fingertips.

Even agriculture in the developing world, much of which is still concentrated in small family farms, is being affected by mobile technology. In countries where agriculture is still a primary sector of the economy, technology has the potential to affect both micro- and macro-level economic indicators. According to a CNN report on mobile phones in Africa, “By serving as platforms for sharing weather information, market prices, and micro-insurance schemes, mobile phones are allowing Africa’s farmers to make better decisions, translating into higher-earning potentials.” Farmers with cattle, for instance, can use the mobile app iCow to track cows’ gestation periods and to learn additional information about breeding and nutrition (Ogunlesi & Busari, 2012).

Finally, technology has brought to the developing world a new platform for social activism. Citizen mobilization against crime, corruption, violence, and other social ills has been fostered by mobile technology that rapidly passes information across communities. Mobile phones have played important roles in many events, from Kenya in 2008, where citizens used phones to report violent incidents ion the country’s disputed elections, to the citizen uprisings against authoritarian regimes in North African countries like Tunisia in 2011, to Nigeria in 2014, where the viral Twitter campaign #BringBackOurGirls brought global attention to the plight of more than 300 girls kidnapped by the radical Islamist organization Boko Haram.

Can mobile phone technology contribute to bringing greater prosperity—and equality—to the planet? How might mass adoption of mobile phones contribute to addressing some of the inequalities described in this chapter?

**FIGURE 8.6 Number of Libraries per Population Ratio in the United Kingdom and Nigeria**

SOURCE: United Nations Educational, Scientific and Cultural Organization. (2014). *Reading in the mobile era: A study of mobile reading in developing countries.* Paris: Author. Retrieved from http://www.unesco.org/new/en/unesco/themes/icts/m4ed/mobile-reading/reading-in-the-mobile-era.

p.192

**TECHNOLOGY & SOCIETY**

**#FIRSTWORLDPROBLEMS**

If you are a user or follower of Twitter, you may be familiar with the popular hashtag #FirstWorldProblems. The site attracts a broad audience of both readers and contributors who engage in self-mocking about the relative insignificance of the daily tribulations of life in the prosperous modern world. The online *Urban Dictionary* defines “first world problems” as “problems from living in a wealthy, industrialized nation that third worlders would probably roll their eyes at” ([www.urbandictionary.com](http://www.urbandictionary.com/)). The following are some samples of such “problems” gathered from the site in June 2014:

•    It’s nice enough outside today to wear shorts, but the office is too cold so you need to wear pants.

•    I hate being home while my cleaning ladies are here.

•    When your phone charger doesn’t reach your bed.

•    Uh oh. The part of the commute where there’s no 4G coverage for nine whole minutes is coming up.

•    My phone isn’t charged enough yet for me to have a bath.

•    I only got one dipping sauce with my 20 nuggets and had to ration it like it was WWII.

The site attracts posters from around the globe. June’s sample featured posts in German, Spanish, Dutch, and Arabic, among others.

Interestingly, some posters take advantage of the hashtag’s popularity to attract interest in real problems that exist in the developing world. For example, the charitable organization WATERisLIFE, which raises funds to assist communities that lack clean drinking water, posted a YouTube video featuring impoverished Haitian children and adults reading some of the #FirstWorldProblems posts (such as “I hate it when I go to the bathroom and forget my phone”). The video, arguably, both critiques and takes advantage of the hashtag to draw attention to the organization’s cause. While the video drew a lot of attention to the charity, the advertising agency that made it said that WATERisLIFE hoped to eliminate a hashtag on Twitter that “showcases concerns that seem important to those living in wealthy, industrialized countries, yet are, fact, trivial compared to the issues faced by those struggling to survive in many parts of the world.” This drew an angry response from some posters who suggested that the agency failed to grasp the irony in the posts (Edwards, 2012).

The Twitter hashtag has attracted other criticism as well. While the tone of the hashtag #FirstWorldProblems is self-mocking, and posters presumably “get” that the problems they are lamenting are trivial in comparison to those faced by many communities in poorer states, some writers suggest that the hashtag’s purpose is not to bring recognition to the problems of the developing world but rather to act as a platform for wit and irony shared among the privileged (Madrigal, 2011). As well, as Teju Cole, a Nigerian American writer, has pointed out, people in developing countries are not beings so easily labeled as different from their “first world” counterparts: “Here’s a First World problem: the inability to see that others are as fully complex and as keen on technology and pleasure as you are” (quoted in Madrigal, 2011).

**THINK IT THROUGH**

 How would you characterize the sociological significance of #FirstWorldProblems? What are its functions in the “first world”? Would you agree more fully with its critics or with its defenders?

p.193

**THEORETICAL PERSPECTIVES ON GLOBAL INEQUALITY**

In this section we analyze global inequality from several theoretical perspectives, raising the questions of what explains global inequality and why it exists and persists. Later, we take a critical look at the theories.

Modernization theory is *a market-oriented development theory* associated with the work of Walt Rostow (1961) and others. In contrast to many perspectives on stratification, the modernization perspective asks not why some countries are poor but why some countries are rich. In asking this question, it makes the assumption that the historical norm in states has been poverty; that is, the populations of most countries at most times have subsisted rather than prospered. The answer it proposes is that affluent states have “modern” institutions, markets, and worldviews; by “modern,” Rostow meant those that emulate the democratic and capitalist states of the West. He argued that economically underdeveloped states can progress if they adopt Western institutions, markets, and worldviews. Rostow used the analogy of an airplane taking flight to illustrate his key ideas about the stages of development:

•    **The traditional stage:** In this “pre-Newtonian” (that is, prescientific) stage, societies are present and past time oriented, looking back into history for models of economic and political behavior rather than looking forward and seeking new models. They embrace tradition over innovation. Economic development is limited by low rates of savings and investment, and by a work orientation that elevates subsistence over ambition and prosperity. The airplane is grounded and has not yet begun its journey to affluence. Today, few such countries exist. One might look at individual communities within developing countries to find these traditional orientations.

In some developing countries, however, traditional beliefs about women’s roles hinder their educational attainment and access to the labor market. Arguably, this is a cultural norm that also stifles national development, as it keeps a segment of the population that could potentially constitute half the workforce (women) from contributing its talents and skills.

•    **The takeoff stage:** In this stage, societies are moving away from traditional cultural norms, practices, and institutions and are embracing economic development with a sense of purpose and increasing practices of savings and investment. The plane rises as the weight of tradition is cast overboard in favor of modernity.

Rostow, an originator of modernization theory, was an adviser to President Kennedy, whose administration was responsible for the development of the Peace Corps. The Peace Corps, which has for decades sent young U.S. workers abroad to spread innovations in agriculture and technology, to teach English, and to train leaders in developing countries in methods of modern governance, could be seen as a vehicle for moving countries from the traditional to the takeoff stage. Today, some African countries with modernity-oriented leadership, such as Liberia, might be categorized as members of the “takeoff” group.

•    **In flight with technological progress and cultural modernity:** In this next stage, as the plane moves forward, technology is spreading to areas like agriculture and industry, innovation is increasing, and resistance to change is declining. Many people are adopting “modern” cultural values, and governance increasingly reflects the rule of law. Advanced countries facilitate these processes by offering advice and money.

Progress may take the form of industrialization, which drives greater urbanization as rural dwellers leave poor agricultural areas to seek their fortunes in cities. It may also be accompanied by lower fertility, driven by the increased use of contraception as opportunities for women grow in education and the labor market. India might be considered a modern example of this stage, as it has a growing educated middle class, rising urbanization and industrialization, and (for better or worse) soaring consumer ambitions.

•    **The stage of high mass consumption and high living standards:** In this stage, there is a greater emphasis on the satisfaction of consumer desires, as new affluence expands the ranks of those with disposable income. This is the stage that advanced countries like those of Western and Northern Europe, the United States, Israel, and Japan have reached.

As these stages suggest, modernization theory assumes we can understand a given state’s level of development by looking at its political, economic, and social institutions and its cultural orientation. That is, the theory uses a country’s *internal variables* as key measuring sticks. In contrast, two later theories take a conflict perspective, focusing on countries’ conflicting interests, unequal resources, and exploitative relationships, though they emphasize different aspects of inequality.

Just as Marx posited a fundamentally exploitative relationship between the bourgeoisie and the proletariat, so too does dependency theory (Emmanuel, 1972; Frank, 1966, 1979; Ghosh, 2001), which argues that *the poverty of some countries is a consequence of their exploitation by wealthy states, which control the global capitalist system.* While exploitation originated in colonial relationships, when powerful Western states such as Britain, the Netherlands, and Belgium dominated countries such as the Congo, South Africa, and India, it continues through the modern vehicle of multinational corporations that reap great profits from the cheap labor and raw materials of poor countries while local populations draw only bare subsistence from their human and natural resources.

p.194

Dependency theory draws its name from the idea that prices on the global market for human and natural resources held by poor states are intentionally kept low to benefit high-income states, so low-income states cannot fully develop industrially, technologically, or economically. Thus, these states remain in a *dependency relationship* with the well-off states that buy and exploit their labor and raw materials. Whereas modernization theory implies that high-income states want to encourage the full development of low-income countries, dependency theory suggests there is a direct relationship between the affluence of one and the poverty of the other.

World systems theory shares some of these basic ideas. Immanuel Wallerstein (1974, 1974/2011a, 1980/2011b, 1989/2011c, 2011d), one of the pioneers of the theory, argues that *the global capitalist economic system has long been shaped by a few powerful economic actors, who have constructed it in a way that favors their class interests.* He suggests that the world economy is populated by three key categories of countries:

•    **Core countries:** The core countries are economically advanced, technologically sophisticated, and home to well-educated, skilled populations. They control the vast majority of the world’s wealth and reap the greatest benefits from the world economic order, including trade and production practices. They include the United States, Canada, the states of Western and Northern Europe, and Japan, among others.

•    **Peripheral countries:** The peripheral states have low national incomes and low levels of technological and industrial development; many still depend on agriculture. They have been exploited by the core states for their cheap labor (and, historically, slave labor) and for cheap raw materials that are exported to advanced countries and made into finished goods that bring far greater profit to core companies and consumers. Peripheral countries include parts of Central and Latin America, Asia, and many of sub-Saharan Africa’s states. Some of those in Africa provide the critical mineral components of modern electronics for which consumers pay top dollar, such as smartphones and iPads, but they still suffer dire poverty.

•    **Semiperipheral states:** The semiperiphery shares some characteristics with both the core and peripheral states, occupying an intermediate and sometimes stabilizing position between them. Semiperipheral states such as China, India, and Brazil may be exploited by core states, but they may in turn have the capacity to exploit the resources of peripheral states. For example, China, which has advanced industrial capacity and a growing middle class of consumers, has begun to foster economic relationships with African countries that can offer oil resources for the populous and economically growing state.

World systems theory sees the world as dynamic rather than static, with peripheral and semiperipheral states seeking to rise in the ranks and core countries attempting to hold fast to global power. The key unit of analysis in world systems theory is less individual countries (as it is in modernization theory) than it is relationships between countries and regions of the world. Like dependency theory, world systems theory sees relationships between states, such as those between core and periphery states, as fundamentally exploitative; that is, some countries benefit to the detriment of others.

Below we use these perspectives to examine the case of Nigeria, a developing African country. Application of the perspectives will help us to assess their utility as analytical tools for understanding development and global inequality.

**APPLYING THE THEORIES: THE CASE OF NIGERIAN OIL WEALTH**

A *National Geographic* story on the Niger Delta begins like this:

Oil fouls everything in southern Nigeria. It spills from the pipelines, poisoning soil and water. It stains the hands of politicians and generals, who siphon off its profits. It taints the ambitions of the young, who will try anything to scoop up a share of the liquid riches—fire a gun, sabotage a pipeline, kidnap a foreigner.

Nigeria had all the makings of an uplifting tale: poor African nation blessed with enormous sudden wealth. . . . By the mid-1970s, Nigeria had joined OPEC (Organization of Petroleum Exporting Countries), and the government’s budget bulged with petrodollars. (O’Neill, 2007)

Using the case of Nigeria and its vast oil reserves in the southern Niger Delta, we can evaluate the theories we have just described and compare how well they illuminate the case of this devastatingly poor state, where about 84% of the population lives on less than $2 a day and, in spite of the wealth of natural resources, GNI-PPP is just $2,240 (Population Reference Bureau, 2012).

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|  | [Emerging Global Middle ClassCLICK TO SHOW](http://www.npr.org/templates/story/story.php?storyId=89119312) |

p.195

Recall that the modernization perspective highlights internal variables such as the lack of modern state, economic, and legal institutions and inadequately modern cultures to explain why some countries have lagged in development. A modernization theorist would thus point to the rampant culture of corruption and lack of rule of law that have characterized countries like Somalia and North Korea, which Transparency International (2011), a corruption watchdog agency, has ranked as the most corrupt countries in the world. Nigeria is also near the top of the agency’s list. Clearly, there are links between state corruption, the lack of an effective legal and civic structure, and the dire poverty in and around Port Harcourt. Though it is the capital of Nigeria’s oil-rich Rivers state, Port Harcourt has “no electricity, no clean water, no medicine, no schools” (O’Neill, 2007). But does the modernization perspective miss some key aspects of the problem of global poverty?

Critics argue that in attending almost exclusively to internal variables, the modernization perspective fails to recognize external obstacles to development and the ways in which well-off states benefit from the inferior economic position of poor states. According to *National Geographic,* in the wake of independence from colonial Britain, few observers expected that Nigeria would become a global oil source. In the decades that followed, however, five multinational oil companies—Royal Dutch Shell, Total, Italy’s Agip, ExxonMobil, and Chevron—transformed the Rivers state. “The imprint: 4,500 miles . . . of pipelines, 159 oil fields, and 275 flow stations” (O’Neill, 2007). The United Nations Development Programme and the International Crisis Group point to decades of problematic economic strategies employed by oil companies, which have taken advantage of weak environmental controls, offered little compensation for land and few employment opportunities to local communities, engaged in corrupt deals for oil, and used private security forces to commit violence against those who resisted their efforts to control the oil fields of the Niger Delta (Brock & Cocks, 2012; O’Neill, 2007).

**FIGURE 8.7 Where the Oil Is in Africa**

From the dependency and world systems perspectives, a relationship of fundamental exploitation exists between Nigeria and high-income countries, including the United States and Britain, for which Nigeria provides a critically important resource. If the United States is a core state, Nigeria appears from this perspective a peripheral state supplying oil, the basic raw building block of modern economies, without seeing the benefit of its own natural wealth. Semiperipheral states aggressively seeking to develop their own economies and wealth are also part of the picture: “China, India, and South Korea, all energy-hungry, have begun buying stakes in Nigeria’s offshore [oil] blocks” (O’Neill, 2007). The dependency theory perspective suggests that developed and rapidly developing states benefit from lax government oversight of environmental pollution, low-wage pools of local labor, and corruptible officials willing to bend rules to accommodate corporate wishes.

Like modernization theory, the dependency and world systems theoretical perspectives illuminate some aspects of the case while obscuring others. Variables like the exploitative power of Western oil companies are a key part of understanding the failure of Nigeria to develop in a way that benefits the broader population, but conflict-oriented perspectives pay little attention to the agency of poor states and, in particular, their governing bodies in setting a solid foundation for development.

p.196

INEQUALITY MATTERS

**CASTE TO CLASS: THE RISING MIDDLE CLASS IN INDIA**

Steve Raymer/National Geographic Creative

A rising Indian middle class has begun to enjoy the benefits of comfort and consumption that in the past were limited to a smaller group of wealthy inhabitants.

India, one of only two countries in the world with more than a billion inhabitants (China is the other), has long been home to populations ravaged by poverty. Even today, about half of Indians live on less than $2 a day (Population Reference Bureau, 2011). But a new middle class in India, born in the age of technology and market liberalization and globalization, is rising rapidly to national and demographic prominence. According to one analysis, “Over the next two decades, the country’s middle class will grow from about 5 percent of the population to more than 40 percent and create the world’s fifth-largest consumer market” (Beinhocker, Farrell, & Zainulbhai, 2007). Much of this transformation will take place in the country’s massive cities, such as New Delhi and Mumbai (formerly known as Bombay).

The Indian middle class is a rising power with the potential to change both markets and politics in significant ways. As is the case around the globe, a hallmark of the middle class in India is consumption. Having achieved some disposable income, members of the middle class aspire to new automobiles, bigger dwellings, and more educational and cultural opportunities. The U.S. Department of State (2012a) estimates that at least 50 million Indians have disposable incomes in a middle-class range (between about $4,100 and $20,800 annually), and the next 15 years will see a tenfold rise in those who have the means to join the new class of consumers.

While middle-class Indians promise to drive growth in the consumer market, they are also putting their stamp on government institutions and practices. A recent *Washington Post* article on the efforts of the new urban middle class to battle pervasive corruption in state structures points out that “in the past, cynical lawmakers figured that they could get away with almost anything as long as they threw a few sops to the rural poor at election time every five years. But two decades of economic liberalization have brought into being a new Indian middle class . . . whose votes and opinions can no longer be taken for granted” (Denyer & Lakshmi, 2011).

“The consumer revolution that we have experienced in the past two decades has told the citizen that he can expect a higher quality of governance,” social anthropologist Shiv Viswanathan has suggested. “The information revolution has created a revolution of rising expectation” (quoted in Denyer & Lakshmi, 2011).

As India’s middle class grows in number and economic resources, it is attracting more political attention. While the group is still of modest size in comparison to the number of Indian poor, middle-class politics is of growing significance in this rapidly developing country.

So how do states become “modern”—that is, economically and technologically developed and responsively governed? In its pursuit of entrepreneurial opportunities and cleaner governance, the Indian middle class has embraced what Walt Rostow would have described as components of modernity. India has also changed from a British colony growing cotton for the profit of British mills to an independent, increasingly well-educated and entrepreneurial regional powerhouse with the potential to exercise global power in markets and politics. Although neither modernization theory nor dependency theory looks at the middle class as an agent of change, in India, the new middle class is challenging both internal and external obstacles and transforming the country domestically and globally.

**THINK IT THROUGH**

 Why do growing middle-class populations in many developing states have an interest in addressing governmental corruption? How does corruption undermine the interests of the middle class?

p.197

Reuters/Eric Gay/Pool

Port Harcourt, located in Nigeria’s River State, is a key exporter of crude oil. Despite its economic strength, many citizens in the region still face extreme hardship, including poverty, and environmental threats.

**IS THERE A GLOBAL ELITE?**

Sociological perspectives on global inequality often focus on *countries* as objects of analysis. While it is recognized that countries are also stratified internally, discussions of global inequality like those we presented earlier in this chapter compare, contrast, and analyze countries and their regions. Sociology also, however, takes an interest in the idea that there exists a global elite, a *transglobal class of professionals who exercise considerable economic and political power that is not limited by national borders.* Some writers suggest that an identifiable global power elite, while not an entirely new phenomenon, is a product of modernity, brought into growing significance by technological innovation and globalization. In this section we look at the descriptive dimensions of this phenomenon. We then turn to a consideration of some key sociological ideas about the characteristics and functions of a global elite.

One important measure of membership in the global elite is wealth. In 2014, *Forbes* magazine identified 1,226 people around the world who are billionaires. Financial writer Chrystia Freeland (2012) suggests that today’s global power elite, members of which she calls “the plutocrats,” is composed largely of working professionals who have made their fortunes rather than inherited them: 840 of the 1,226 are described as “self-made” (p. 45). Most have made their fortunes in business, media, or technology. According to *Forbes,* in 2014 the aggregate wealth of the world’s billionaires topped $6.7 trillion (“The World’s Billionaires,” 2014) While many of today’s multimillionaires and billionaires live in developed countries like the United States, quite a few also live in developing countries like China, Russia, and India, where rapid economic growth, including the privatization of previously government-held industries like oil, has opened up unprecedented opportunities for establishment and expansion of personal wealth. The world’s richest man in 2014 was Carlos Slim, a Mexican national.

In the context of a growing global list of billionaires, being a millionaire looks more commonplace than extraordinary, though millionaires are certainly few in number in the context of the global population of 7 billion. According to one recent calculation, there are just under 30 million millionaires (defined as those whose net assets exceed $1 million) in the world, though the fact that many of these millionaires hail from developing countries is notable. North America and Europe each account for about 37% of the world’s millionaires. Excluding China and India, about 19% of millionaires are from Asia, just over 3% are from China, and the remainder (just under 3%) are from India, Africa, and Latin America. While the ranks of millionaires and billionaires have expanded globally, there is a substantial gap between those who are rich and those who are superrich—or “ultra high net worth individuals” (UHNWI), defined by Credit Suisse bank as those with assets that top $50 million. By the bank’s estimate, in 2011 there were about 84,700 UHNWIs in the world; about 29,000 of these had assets greater than $100 million and 2,700 had assets greater than $500 million (Freeland, 2012).

p.198

While there is unprecedented national diversity on the current roster of the rich and the superrich, there has also been a marked rise in the gap between the world’s economic elites and everyone else. According to a 2014 report by the development organization Oxfam, nearly half of the world’s wealth is owned by 1% of the globe’s population; further, the world’s richest 85 people have as much wealth as all the bottom half of the planet’s population combined (Fuentes-Nieva & Galasso, 2014).

Seeking to outline a definition of the global elite, writer David Rothkopf (2008) suggests that

the distribution of power has clearly shifted, not just away from the United States and Europe, but away from nations. . . . had [sociologist C. Wright] Mills been writing today, he would have turned his attention from the national elite in America to a new and more important phenomenon: the rise of a global power elite, a superclass that plays a similar role in the hierarchy of the global era to the role that the U.S. power elite played in that country’s first decade as a superpower. (p. 9)

Rothkopf emphasizes the idea that the global elite is powerful not only because it is rich, but because it is *influential* in political decision making, global markets and industries, technological innovation, the production of cultural or intellectual ideas, and even world religions. The global elite and its decisions have impacts on the lives of thousands or even millions of citizens, consumers, workers, and worshippers. The global power elite, Rothkopf argues, includes corporate executives, presidents and prime ministers of powerful states, technological innovators, those who control flows of global resources like oil, media moguls, some military elites, and a handful of well-known and active cultural and religious figures. Their power is multiplied by the fact that they are deeply networked, sharing links to other members of the elite through both personal and professional ties. Their exercise of power is not always direct, but their influence is palpable in politics, economics, and media, among other areas.

Sociologist Leslie Sklair (2002) conceptualizes the notion of a modern global elite in his writings on “transnational capitalism.” His work highlights the position that nations and borders are of declining significance in capitalist globalization. He argues that important objects of analysis in a globalizing world are what he terms “transnational practices”—that is, “practices that cross state borders but do not originate with state actors, agencies, or institutions” (p. 10). He suggests that understanding the modern economic order requires recognizing how power has become transnational rather than limited by national borders. As part of his examination of transnational practices, Sklair theorizes the rise of a *transnational capitalist class* that is composed not of capitalists (that is, the bourgeoisie) in the classical Marxian sense but of four categories of members: (1) a *corporate fraction* drawn from transnational corporations, (2) a *state fraction* composed of global political elites, (3) a *technical fraction* representing globalizing professionals, and (4) a *consumerist fraction* made up of executives of marketing and media.

While Sklair’s theorized class would appear to encompass a broader swath of members than Rothkopf’s (2008) global elite, his characterization of the transnational capitalist class reflects an idea shared with Rothkopf that global economic integration and the mobility of capital have fostered the birth of a transglobal class. The members of this class have the following characteristics:

•    They share global (not only local) interests and perspectives, as well as consumer lifestyle choices.

•    They seek to exercise control or influence over key political, economic, and cultural-ideological processes on a global level.

•    They hail from different national backgrounds, but they see themselves as citizens of the world rather than just citizens of particular states.

Freeland (2012) echoes the last point in her journalistic account of the global elite, noting that members often feel they have more in common with their fellow elites than with their countrymen. She points out that this, however, may not be a new development: She quotes an early theorist of capitalism, Adam Smith, who wrote in 1776, “The proprietor of land is necessarily a citizen of the particular country in which his estate lies. The proprietor of stock is properly a citizen of the world, and is not necessarily attached to a particular country” (p. 67).

The transnational capitalist class is a global elite that exercises political, economic, and cultural-ideological power and acts to organize “conditions under which its interests and the interests of the global system . . . can be furthered” (Sklair, 2002, p. 99). Sklair also theorizes a particular function for the transnational capitalist class: It is a vehicle by which *transnational corporations,* modern and powerful economic entities, expand and legitimate the consumerist culture and ideology that is needed to sustain the global system of capitalist production.

In an interesting variation on the conceptualization of globalized classes, Zygmunt Bauman (1998) has written on what he describes as a “space war.” Bauman’s analysis points not toward the cosmos but toward modern citizens’ relationship to physical spaces and places, including countries. Bauman posits that the “winners” of globalization (and the “space war”) are those who are mobile, who can move through space to create value and meaning—he calls them *tourists* (though he does not mean that in the strictly conventional sense). They can move across the globe, enabled by transportation and communication technologies and their economic and professional resources. They exist, suggests Bauman, in time rather than in space because space is not constraining to them. What Bauman is describing is a globalized category of the world population whose mobility is enabled by education, economic resources, and social networks. For example, business professionals, high-level government bureaucrats and representatives, and cultural elites and celebrities have the means to seek out both personal pleasures and professional opportunities globally.

p.199

Reuters/Eric Gay/Pool

In 2014, tens of thousands of unaccompanied children streamed across the U.S. border from their homelands of Guatemala, El Salvador, and Honduras, in search of safety, family, and opportunities. Their arrival from these impoverished and violent states was met with vigorous political debate about what to do with a massive group of young people who appeared to have no haven at home or in the U.S.

By contrast, the “losers” of modernity are those who are tied to places and spaces that have been devastated by globalization. Lacking resources, they are rooted in place and denied geographic and economic mobility. In thinking about this category, one might consider diverse groups, ranging from former automobile plant workers stripped of their livelihood by globalization and stuck in economically devastated cities to poor urban dwellers in the developing world whose lives revolve around difficult and dangerous low-wage jobs that they cannot afford to lose. Among the losers of a globalizing world are also, Bauman points out, those who are on the move, but they differ from the mobile global elite; rather, they are what he terms *vagabonds,* moving across the globe as refugees or poor economic migrants, unable to live in their own countries and unwanted elsewhere.

Bauman does not specify the precise qualities of his loosely defined global classes, but his work points to the idea that globalization has created different experiences for different groups that are not easily characterized through reference to national boundaries. This perspective may lead us to consider global inequality as a modern phenomenon that crosses borders and shapes new opportunities as well as obstacles.

**WHY STUDY GLOBAL INEQUALITY FROM A SOCIOLOGICAL PERSPECTIVE?**

Global inequality is manifested in the systematic disparities in income, wealth, health, education, and opportunities that exist between households, communities, and countries. Understanding inequality—both its dimensions and its roots—is, as you have seen in earlier chapters, one of sociology’s key goals. As we have learned in this chapter, global poverty exists across different areas; it is rarely only a disparity of income that characterizes poverty. Economic disadvantage is a product but also a root of other disadvantages in areas like health, education, and even access to safe sanitary facilities.

At the global level, we find countries arranged in a stratified hierarchy of positions, with some exercising economic, political, and cultural dominance and others lagging behind, unable to convert valued human and natural resources into national prosperity. What accounts for these differences? Sociology offers us some insights—it’s up to us to study different cases and to test a variety of explanations.

Global inequality can also be studied in terms of transglobal forms of stratification, including the development of a global elite whose composition and influence transcend borders. Globalization has wrought a world system that is deeply interconnected, and both capital and people are mobile, traversing borders in pursuit of profit, power, and pleasure. Sociology considers the question of globalization’s diverse effects on populations across the planet, asking about the roots, benefits, and consequences of the rapid changes of the globalizing social world.

Global inequality matters because in an ever more densely populated, interconnected, and interdependent world, the misfortunes and good fortunes of different countries and classes will not remain isolated in their effects.

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|  | [Why Global Inequality MattersCLICK TO SHOW](http://ipt.sagepub.com/cgi/reprint/7/2/140?ijkey=WnecB6RjJCAwo&keytype=ref&siteid=spipt) |
|  | [Globalization, Education and StratificationCLICK TO SHOW](http://cus.sagepub.com/cgi/reprint/8/3/222?ijkey=XOjSJVsdHcTc.&keytype=ref&siteid=spcus) |

p.200

WHAT CAN I DO WITH A
SOCIOLOGY DEGREE?

**SKILLS AND CAREERS: CONFLICT DYNAMICS AND RESOLUTION SKILLS**

*Conflict resolution skills* are of value when two or more entities—individuals, employees and employers, social groups, businesses, or countries, among others—engage in a process to resolve a disagreement that may be related to values or perceptions, or to social, economic, environmental, or political interests. Sociological study offers students the opportunity to develop competencies in the *analysis of conflict dynamics.* Understanding the dynamics of conflict involves the ability to research and recognize the fundamental issues at the root of conflicts, to take the perspectives of different parties in a conflict, and to communicate effectively with groups in conflict. Understanding conflict dynamics and using this knowledge to resolve conflicts are related to sociology’s general orientation toward problem analysis and problem solving.

In [Chapter 8](https://jigsaw.vitalsource.com/books/9781506316628/epub/OEBPS/ch0008.xlink.xhtml), we looked at the most acute manifestations of global inequality. Many poor states are home to large economically marginal populations whose members also seek better lives—lives like those of people in richer states, of which they are quite aware given the spread of mobile phones and mass media across the globe. As the population grows, particularly in developing states, conflicts over resources will likely increase at both international and community levels. But violent conflict need not be inevitable. It is in our interest as sociologists and citizens of the world to think in informed and creative ways about averting and addressing conflicts over resources, as well as other sources of tension between states, societies, and groups. As a sociology student, you will have the opportunity to study different theoretical perspectives on conflict and its sources and to become familiar with research studies that delve into the roots of conflicts from the community to the global level.

Understanding conflict dynamics and utilizing that knowledge to address and prevent or resolve conflicts are skills of great value in a heterogeneous and complex social and global environment. These kinds of tasks are often part of the *job descriptions* of, among others, civil and family mediators, foreign service officers, lawyers, parenting trainers, negotiators, ombudsmen, prison project officers, human rights advocates, and religious leaders such as ministers and rabbis. These jobs may be found in *occupational sectors* such as community organizing, politics, nonprofit management, criminal justice, and international development, among others.

**THINK ABOUT CAREERS**

 Using what you have learned in sociology to this point, identify some particular conflicts that exist and persist between groups in society. Are people in any of the occupational fields or jobs listed above involved in managing, mediating, or resolving these conflicts?

 Think about possible career paths of interest to you. How might knowledge concerning conflict dynamics and conflict resolution skills be of value to you in a future job?

p.201

**SUMMARY**

•    Global inequality can be described in terms of disparities in income, wealth, health, education, and access to safe, hygienic sanitation, among other things. Global gaps in equality between high-income, middle-income, and low-income countries remain substantial even as some countries are effectively addressing problems like malnutrition.

•    While global inequalities remain substantial, access to mobile technology is improving, as nearly 6 billion of the world’s 7 billion people now have access to working mobile phones.

•    Modernization theory posits that global underdevelopment exists in states that cling to traditional cultures and fail to build modern state and market institutions. Dependency theory and world systems theory highlight external variables that point out how high-income states benefit from the economic marginality of low-income states.

•    Sociologists describe and analyze the phenomenon of a global elite, a transglobal class of professionals who exercise considerable economic and political power that is not limited by national borders. The global power elite, while not an entirely new phenomenon, is a product of modernity, brought into growing significance by technological innovation and globalization.

•    Sklair theorizes a transnational capitalist class that is composed of elites with economic, political, and cultural ideological influence; he asserts that the members of this class organize the global order in a manner that realizes their own interests and contributes to the expansion and legitimation of a global consumerist ideology. Bauman looks at the development of population categories as defined by their relationships to space, in particular their mobility or lack of mobility.

**KEY TERMS**

global inequality, [183](https://jigsaw.vitalsource.com/books/9781506316628/epub/OEBPS/ch0008.xlink.xhtml#page183)

gross national income–purchasing power parity per capita (GNI-PPP), [184](https://jigsaw.vitalsource.com/books/9781506316628/epub/OEBPS/ch0008.xlink.xhtml#page184)

infant mortality rate, [186](https://jigsaw.vitalsource.com/books/9781506316628/epub/OEBPS/ch0008.xlink.xhtml#page186)

total fertility rate (TFR), [187](https://jigsaw.vitalsource.com/books/9781506316628/epub/OEBPS/ch0008.xlink.xhtml#page187)

modernization theory, [193](https://jigsaw.vitalsource.com/books/9781506316628/epub/OEBPS/ch0008.xlink.xhtml#page193)

dependency theory, [193](https://jigsaw.vitalsource.com/books/9781506316628/epub/OEBPS/ch0008.xlink.xhtml#page193)

world systems theory, [194](https://jigsaw.vitalsource.com/books/9781506316628/epub/OEBPS/ch0008.xlink.xhtml#page194)

global elite, [197](https://jigsaw.vitalsource.com/books/9781506316628/epub/OEBPS/ch0008.xlink.xhtml#page197)

**DISCUSSION QUESTIONS**

1.   What is global inequality and what are key ways in which it is manifested? Aside from the aspects of inequality discussed in the chapter, what other aspects might sociologists want to look at?

2.   Why do many of the world’s poorest countries also have the highest fertility rates? What sociological factors can be used to explain the correlation?

3.   Can the mass adoption of modern technologies like mobile phones have an impact on poverty in developing countries? What does the chapter suggest? What other effects can you envision?

4.   How do modernization theory, dependency theory, and world systems theory explain the existence and persistence of inequality between countries and regions? What are the strengths of these perspectives as analytical tools? What are their weaknesses?

5.   What is meant by the term *global elite*? Who are the members of the global elite, and how do they differ from the upper-class elites described in an earlier chapter?

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