

# Social Stratification 1

Javier Polavieja

The D-Lab  
Discrimination & Inequality Lab



uc3m | Universidad Carlos III de Madrid

# The course

- A combination of lectures and student-run sessions covering
  - Class theory
  - Class mobility
  - Inequality of educational opportunity
  - Mechanisms of inequality transmission...  
...with especial attention to primary & secondary effects
- See updated programme at the courses' webpage  
<http://socialstructureuc3.wixsite.com/stratone19>
  - The programme might suffer slight changes as the course progresses

# Logistics

- Course's webpage:  
<http://socialstructureuc3.wixsite.com/stratone19>
- Classes: Mondays (15.00-18.00) in Room/aula 18.0.04 (unless otherwise indicated)
- INSTRUCTOR
  - Javier G. Polavieja <http://javierpolavieja.com> ; [www.d-labsite-com](http://www.d-labsite-com)  
Email [javier.polavieja@uc3m.es](mailto:javier.polavieja@uc3m.es) Office: 18.2.C.03  
Office Hours: Fridays 10.00 to 13.00 **by appointment only**
- Note: Lecture slides and reading material will be made available via the course's webpage. E-mail and Aula global for communicational purposes only

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Días no lectivos	Festivos	Fechas académicas	Cuatrimestre 1	Cuatrimestre 2	Otras fechas
2 nov 7 dic 24 dic a 6 ene 15 mar a 22 abr 3 mayo	Fiestas locales: <b>Getafe</b> 30 mayo y 10 junio <b>Leganés</b> 11 oct y 18 ago <b>Madrid-PT</b> 15 may y 9 nov  Sujetos a posibles cambios al aprobarse el calendario laboral de 2019  Fiestas nacionales:	Cursos 0 y Complementos Formativos Inicio clases Cuatrimestre Inicio clases Semicuatrimestre Recuperaciones y Tutorías Fin clases Cuatrimestre Fin clases Semicuatrimestre Exámenes asignaturas Semicuat. Semana 7-8 Exámenes ordinarios Exámenes extraordinarios Periodos defensa TFM	3-14 septiembre 17 septiembre. 17 sept / 12 novie. Semana 7 (Semicuat.) Semana 15 11 enero 31 oct / 18 enero 5-9 noviembre 21-29 enero 20-28 junio 15 febrero - 15 marzo	4 febrero. 4 febrero / 1 abril Semana 7 (Semicuat.) Semana 15 17 mayo 22 marzo / 24 mayo 25-29 marzo 27 mayo - 4 junio 17 junio - 21 julio 9-30 septiembre	C1      C2 Encuestas semicuatrimestre 1    Semana 7    Semana 7 Encuestas semicuat. 2 y resto    Semana 13    Semana 13 Cierre actas exámenes ordinarios    12-feb    18-jun Cierre actas exámenes extraord.    12-jul Ceremonias Graduación    15-19 julio Jornadas Actividades Transversales    14-18 enero    20-24 mayo

(\*) El MU de Acceso al Ejercicio de la Abogacía y los Másteres profesionales de la Escuela Politécnica Superior tienen peculiaridades respecto al calendario general que serán publicadas en sus respectivas páginas web

# Logistics

- February: 11, 18 & 25
- March: 04, 18, & 25
- April: 1, 8, & 29
- May: 6, 13 & 20

Note there will be no class on March 11

## GROUPS AND CLASS PRESENTATIONS

Groups	Members	Presentations	Date
G1		Session 3- Employment rents	25 February
G2		Session 6- The meritocracy debate	25 March
G3		Session 7- Ability and inequality	1 April
G4		Session 8- Class, parenting styles and children's development	8 April
G5		Session 9- Modelling educational decisions	29 April
G6		Session 9- Cultural capital personality traits and attainment	29 April
G7		Session 10-Social capital and attainment	6 May
G8		Session 10- Networks and attainment	6 May
G9		Session 11- Class discrimination	13 May
G10		Session 11- Elite labour markets	13 May

# Lesson 1—Overview

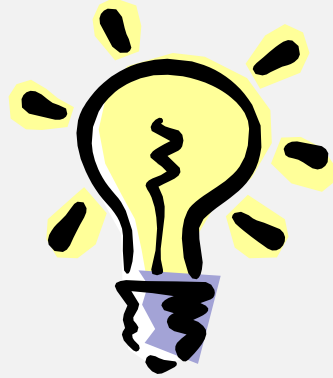
0. On the course: Logistics
1. Preliminary definitions: what is the social structure?
2. The class structure: What are social classes and why is it important for sociology to study them?
3. Antecedents of contemporary thought (I): Karl Marx
4. Contemporary class approaches I: Erik Olin Wright
  - Theory:
    - Exploitation
    - Loyalty rents
    - Skill rents
  - Wright's Class schema
  - Some problems

# 1. Preliminary definitions



# Preliminary definitions

- In all societies resources, opportunities and rewards are unequally distributed (i.e. inequality in the distribution of education, income, wealth, health, social recognition, power, etc..)
- This unequal distribution is not random (e.g. a lottery) nor natural (i.e. based on e.g. innate talents) but **structured** and **social** –i.e. it responds to certain causes or mechanisms that we can study
- The unequal distribution of material and symbolic resources and rewards defines the social structure (an important but elusive concept in sociology)
- Sociologists use the term **social stratification** to refer to the processes that explain the generation and reproduction of social inequality



# Social Stratification

Social processes generating  
**structured** inequality in access to  
material and symbolic resources,  
rewards and opportunities

# Key Qs in strat research

- *What are the defining characteristics of a given social structure (i.e. the main axes of inequality)?*
- *How does it evolve over time (i.e. how is social (dis)advantage transmitted over generations)?*
- *How does the unequal distribution of resources and opportunities influence individuals' worldviews and behaviours?*
- *What kind of institutions and policies are more likely to (in)decrease social inequality?*

...Answering these and related questions is the goal of social **stratification research** (much of what sociologists do is devoted to this task!)

## 2. The Class Structure

What are social classes and why is it important to study them?



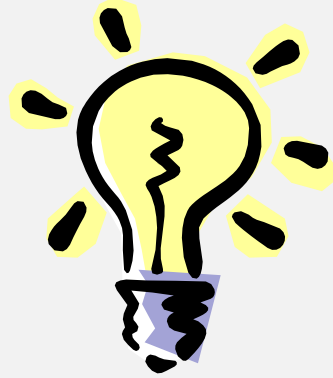
# Class stratification

- There are many overlapping principles of stratification in modern society (class, gender, age, race, ethnicity, etc...)
- Class stratification focuses on the distribution of **material** (i.e. economic) resources that is due to individuals' position in the labour market and inside organizations; and how such position influences people's life chances, identities and actions
- There are several different ways of defining a social class in sociology (depending on the classification criteria used)
- Class is a **concept**

# A provisional definition



A class is a group of individuals who share a particular economic situation (*because* they occupy a similar position in labour-markets and/or inside firms) and *as a result* share similar **life chances**

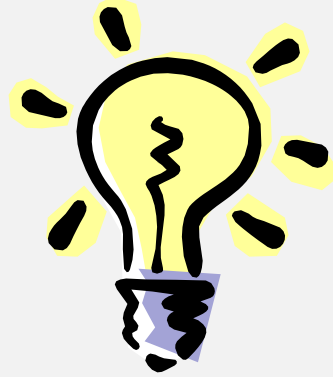


Hence sociologists typically  
think of classes as “empty  
places” (i.e. positions) people  
occupy

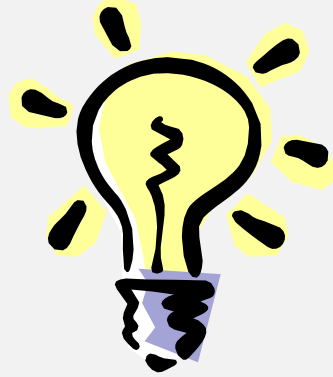


# Class-based stratification systems are characterised by having...

- Greater openness and greater fluidity than the preceding stratification systems in human history, which were sustained by coercion, tradition and/or law (feudal estates, slavery, castes)
- Implications:
  - Individuals have greater capacity to influence their social position (through their ability & effort)
  - Luck or randomness plays a larger role in the distribution of life chances
  - Hence we need to think of the distribution of life chances in **probabilistic** terms rather than in deterministic terms



Class structure= **probabilistic**  
structure



This means individuals have a certain P  
of occupying different classes based on a  
combination of effort+ability+origin effects  
+networks+luck

A classic hypothesis in class stratification research...

# The classic hypothesis

# The classic hypothesis

$S \rightarrow$

# The classic hypothesis

$S \rightarrow$	$I \rightarrow$
-----------------	-----------------

# The classic hypothesis

$S \rightarrow$	$I \rightarrow$	$C \rightarrow$
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# The classic hypothesis

$S \rightarrow$

$I \rightarrow$

$C \rightarrow$

$A$

# The classic hypothesis

<b>S→</b> (Structure)	<b>I→</b> (Interest)	<b>C→</b> (Identity/aware- ness/ideology/ consciousness)	<b>A</b> (Action)
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# The building hypothesis

<p><b>S→</b></p> <p>(Structure)</p>	<p><b>I→</b></p> <p>(Interest)</p>	<p><b>C→</b></p> <p>(Identity/awareness/ideology/consciousness)</p>	<p><b>A</b></p> <p>(Action)</p>
<p><i>What is the logic of class inequality? How is it produced and reproduced over time? How many classes are there? How are classes defined?</i></p> <p><i>→ What is the class structure?</i></p>	<p><i>How does class influence peoples' economic interests? And how do these interests shape in turn peoples' values, attitudes and ideologies?</i></p>		<p><i>How do classes organize for political action?</i></p> <p><i>How do class organizations (parties, unions, employers' organizations) emerge?</i></p> <p><i>What is the relationship between class organizations and classes?</i></p>

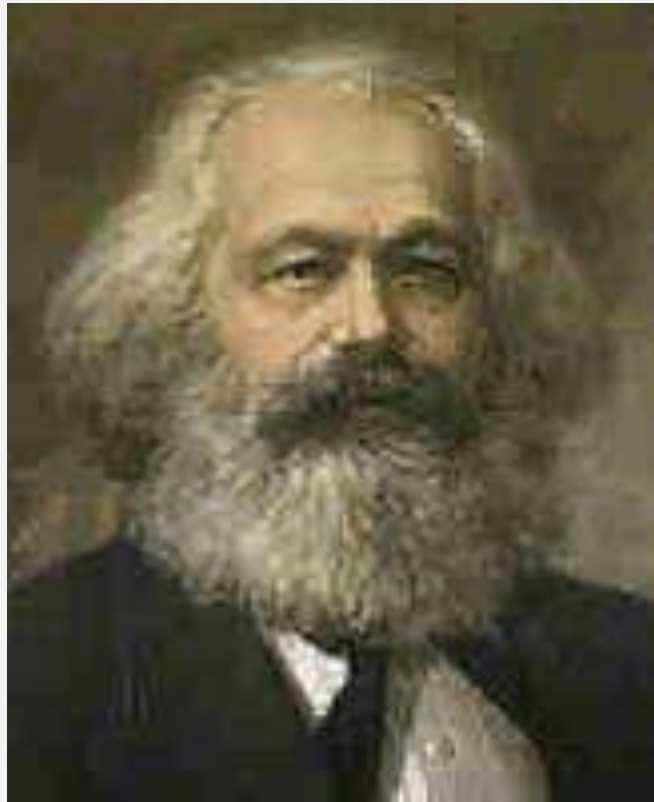


The origins of this hypothesis  
go back to Karl Marx

# 3. Antecedents of contemporary thought (I): Class in Marx

In a very condensed pill

# Karl Marx (1818-1883)



# Key ideas in Marxist class theory—capitalism

- Surprisingly Marx wrote little about class (i.e. his conceptualization of social classes was incomplete)
- His theory of class must be rather reconstructed from his writings on historical materialism and his theory of surplus value

# Key ideas in Marxist class theory—capitalism

...under capitalism...

- Classes are defined in relation to the private property of the **means of production** (e.g., factories, mines, shops, banks, land, buildings, machinery...)
  - 2 classes: Bourgeoisie (owners) and the proletariat (non-owners)
- Private property is a **social relation** sustained by the full force of the state (the state represents the interests of the capitalists)



# Labour Theory of Value (Capital 1867, Vol I, chap. 6, 7)

- In order to survive, those lacking the means of production must sell their labour power to those owning them
  - **Labour-power**=mental and physical capabilities humans set in motion whenever they engage in production
- Labour is the only factor that adds real value in the production process— the origin of all value is human work! (an idea already found in Ricardo, A. and Adam Smith)
- **Value**→ is the labour power expended in production— i.e. the amount of labour-time socially necessary to the production of a marketable commodity (including the labour-time ever invested in the means of production owned by capitalists)
  - The (true) value of a commodity should not be confused with its **use-value** (subjective utility realised through consumption) or its **price**

# Labour Theory of Value (Capital 1867, Vol I, chap. 6, 7)

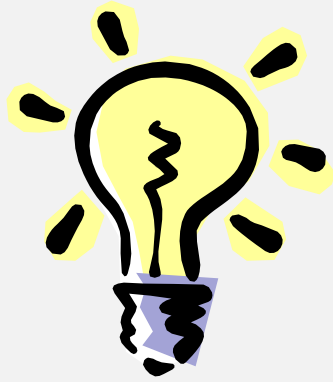
- The bourgeoisie or capitalist class buys labour-power by paying workers wages that are equal to the minimum that is required to cover the basic necessities for the reproduction of the labour factor
- The value of workers' wages is lower than the value they actually add → Such difference is called **surplus value**  
(real productive value-wages=surplus value)
- Capitalists capture surplus value and **this is the origin of profits**
- The process whereby capitalists capture surplus value from workers is called **exploitation**

# Implications

- Exploitation is a social relation of power and interdependence between classes
  - Capitalists depend on workers (i.e their profits depend on workers' exploitation)
  - Workers depend on capitalists (i.e. they need to sell their labour power in order to live)
  - Workers compete with each other to the benefit of capitalist
    - The existence of a **reserve army** of workers allows capitalist to bring wages down and increase profits (i.e. to increase exploitation)
- This relationship generates **antagonistic interests**:
  - Capitalists benefit from exploitation
  - The proletariat would benefit from the end of exploitation (by means of the abolition of private property and the socialization of the means of production)

# Implications

- ...Class position (**class in itself**) thus carries objective class interests, which should eventually lead to the awakening of **class consciousness**
- Capitalist development leads to a growing polarisation of the class structure:
  - The industrial proletariat will increase its size
  - $\Delta$  Competition + technology  $\rightarrow$  The bourgeoisie will improve its capacity to extract surplus value  $\rightarrow$  Growing pauperization thesis
  - Artisans, small proprietors and other middle classes will progressively dissolve into the 2 main poles
  - PREDICTON: With the help of working class parties and unions (the **vanguard**) the proletariat will transform itself into a political subject (**class for itself**) and will carry out a revolutionary process, which will bring about socialism
  - Why? Miss-match between productive forces (i.e. technology) and the social relations of production  $\rightarrow$  this contradiction is the engine of historical change (“**Capitalism contains the seeds of its own destruction**”)



Some of these predictions did not evolve in the manner Marx expected (e.g. socialism), others did not happen at all (e.g. polarization)

# 4. Contemporary class theories (I)

Erik Olin Wright



**Erik Olin Wright**

<http://www.ssc.wisc.edu/~wright>



EOW draws on the core ideas of Marxian thought to describe the class structure of advanced capitalist societies today...





One big challenge for Marxism is the so-called problem of the middle classes—i.e. instead of polarization, deskilling and pauperization capitalist development generated new class positions (professionals and managers) whose nature escaped Marxian theory

# E.O. Wright

- Relevant works:
  - Wright, E.O. 1985. *Classes*. Verso: London
  - Wright, E.O. 1997. *Class Counts*. Cambridge: C.U.P.
  - Wright, E.O. 2010 *Envisioning Real Utopias*. London: Verso
- **Marxist** tradition, albeit he also borrows from Weber
  - From Marx → Central role of the concept of **exploitation** and the **normative** baggage this concept carries with it → emancipatory social science >< **value-neutral science**
  - From Weber → Importance of the possession of scarce qualifications and credentials for class stratification (**see Lesson 2**) → key dimension to deal with the “problem of the middle classes”

# E.O. Wright

- The key concept for class stratification is **exploitation**
- Exploitation= *Antagonistic interdependence between the material interests of actors involved in economic relations*
  - All **rational** actors in the market have a rational interest in improving their material wellbeing
  - We can speak of **antagonistic interests** when the rational strategies to maximize welfare of some actors inherently threatens the welfare of others
  - When interests are antagonistic, the welfare of the advantaged group is not only greater than that of the disadvantaged group, it is actually achieved **at its expense** (i.e. a zero-sum game)

# E.O. Wright

...Exploitation involves:

1. the **exclusion** of the disadvantaged group from access to certain important productive resources controlled by the advantaged group
2. the **appropriation** of the fruits of labour of the disadvantaged group by those who control these productive resources [connects to Marx's Labour Theory of Value]

(Wright argues that Native Americans were economically oppressed by European settlers because they were excluded from access to land but they were not exploited)

# Implications

1. “Class” is a **relational** concept (it expresses certain social relations)
2. **Dependence**: the advantaged group depends upon the group that is exploited (**and vice versa**)
3. This grants the exploited group a certain degree of **power**, which is based on...
  1. the human capacity to exert control over one’s own effort
  2. the capacity to mobilize collectively (**i.e. collective action**)  
(...because Native Americans were economically oppressed by European settlers - but not exploited- they were dispensable and hence powerless)
4. Class relations are inherently **conflictive**

# Wright's Class Schema

3 criteria/dimensions define the class structure:

1. Relation to the property of the means of production → *classic* exploitation
2. Authority inside the firm → **loyalty rents**
3. Relation to the property of scarce qualifications → **skill rents**

Criteria (2) and (3) allow Wright to treat the so-called “problem of the middle classes” (i.e. the class differentiation of employees)

# Loyalty Rents

- Capitalist production always involves an apparatus of **domination** which implies hierarchy, supervision and the capacity to exert sanctions

*“Capitalist do not simply own the means of production and hire workers, they also **dominate** workers within production”. (Wright 1997,16 (the emphasis is mine) (connects to Dahrendorf (1959)→ stratification systems based on the exclusion from authority)*

- Capitalists **delegate** their authority in managers→ Authority is essential for extracting labour effort
- Managers and supervisors receive a **loyalty rent** because they occupy a privileged position with respect to the process of exploitation

*“...The strategic positions of managers within the organization of production enables them to make significant claims on a portion of the social surplus [...] in the form of relative high earnings” (ibid. 1997,16)*

# Loyalty Rents

- Managers can be considered simultaneously in the capitalist and in the working class:
  - They are like capitalists in that they **dominate** workers (i.e. they exercise **delegated authority** inside the firm)
  - They are like workers in that they are **controlled** by capitalists and **exploited** within the sphere of production (i.e. they are excluded from the means of production and part of the fruits of their labour is appropriated by employers)



# Skill rents

- Skills/expertise= an asset embodied in the labour power of people which enhances their power in the labour market and labour processes
- Employees who possess high levels of skills/expertise are also in a **privileged appropriation location** within exploitation relations
- 2 mechanisms linking skills to workers' power
  - 1) Scarcity of skills in the labour market → Obstacles to the acquisition of skills (credentialism, educational inequalities and inequalities in genetic endowments) →  $\Delta$  power in the labour market to capture **skill rents** [skill rent= a return higher than the cost of acquiring the skill]
  - 2) High skills/expertise → High monitoring & turn over costs for firms → employers resort to loyalty-enhancing mechanisms to increase cooperation → Skills  $\Delta$  power within production to capture **loyalty rents** (connects to Goldthorpe and Sorensen, see lessons 2 and 3)

So, how many classes are out there?

Wright's class schema

Basic class typology by Erik Olin Wright

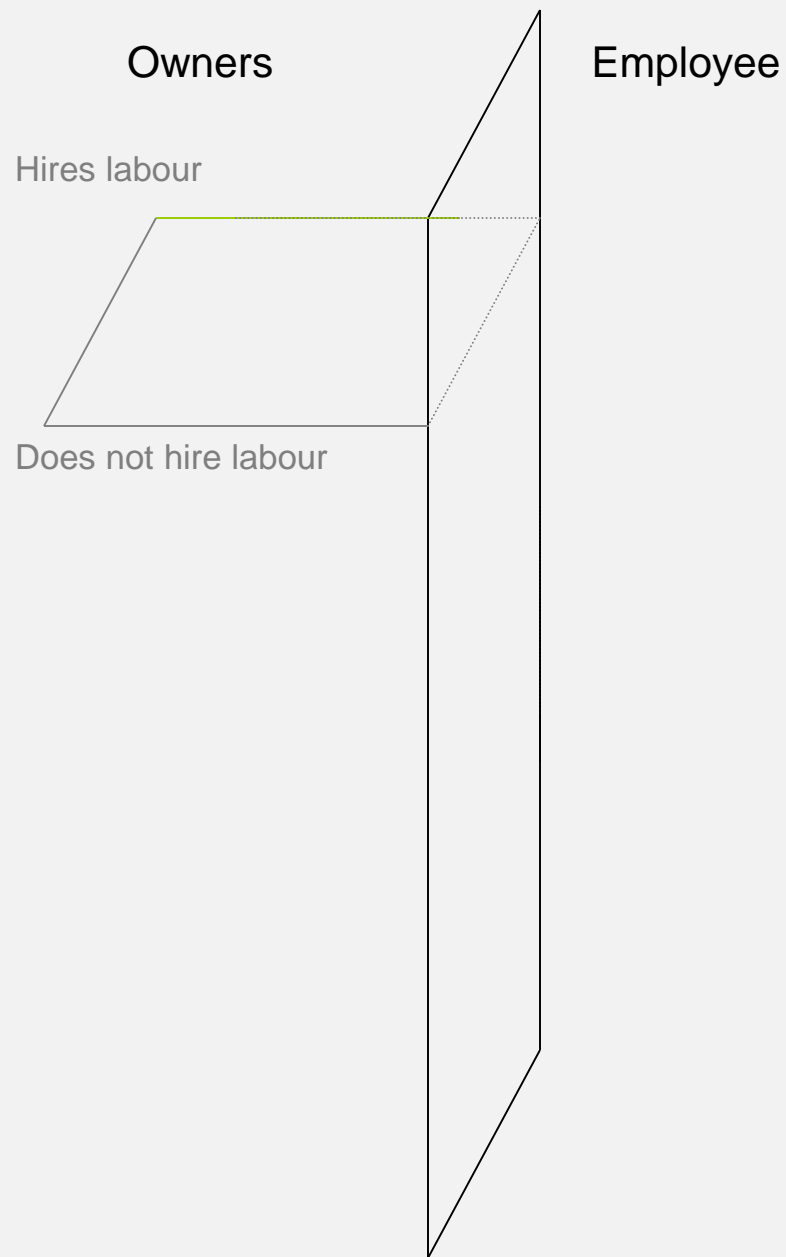
Owner

Employee

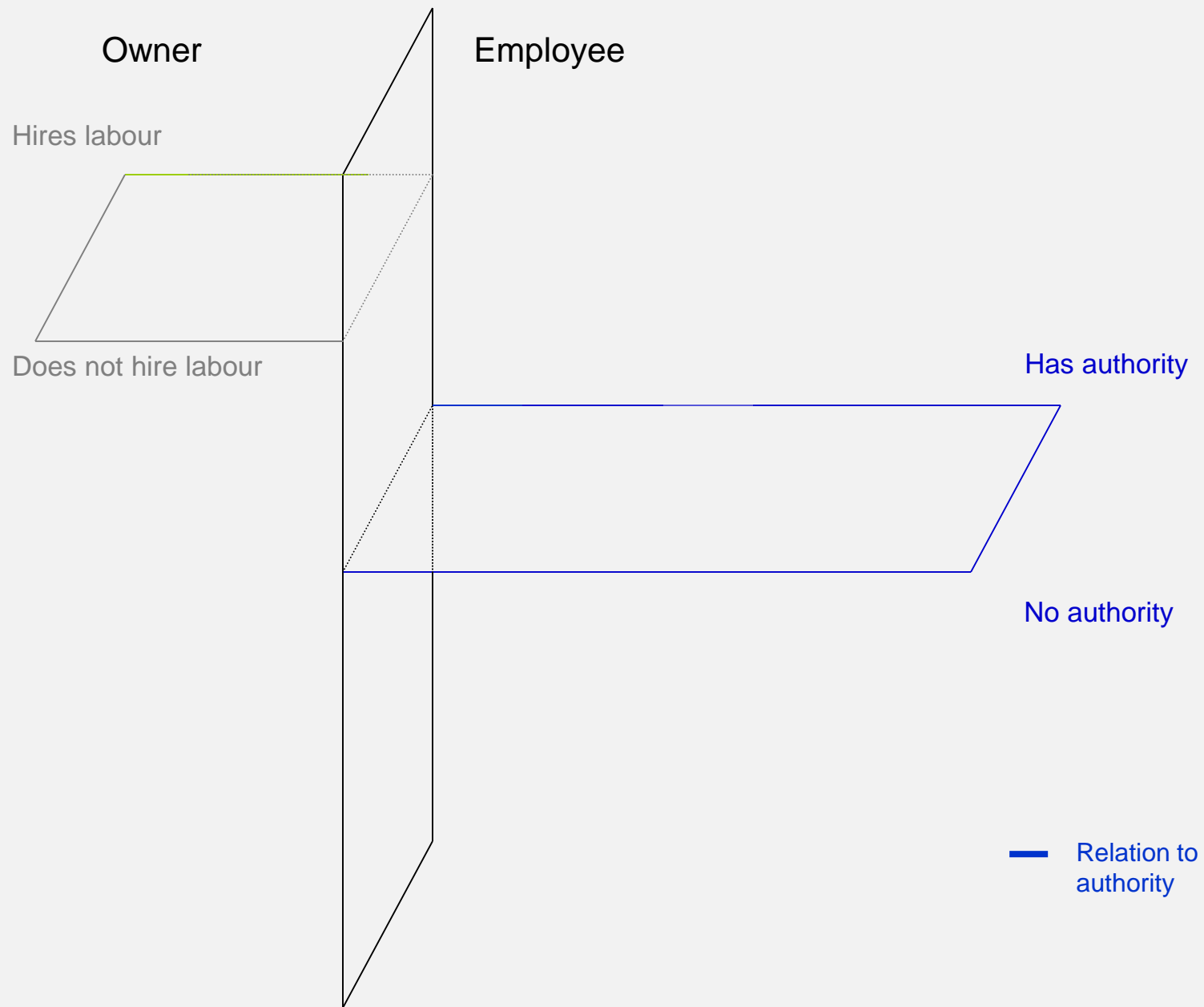


— Relation to  
means of  
production

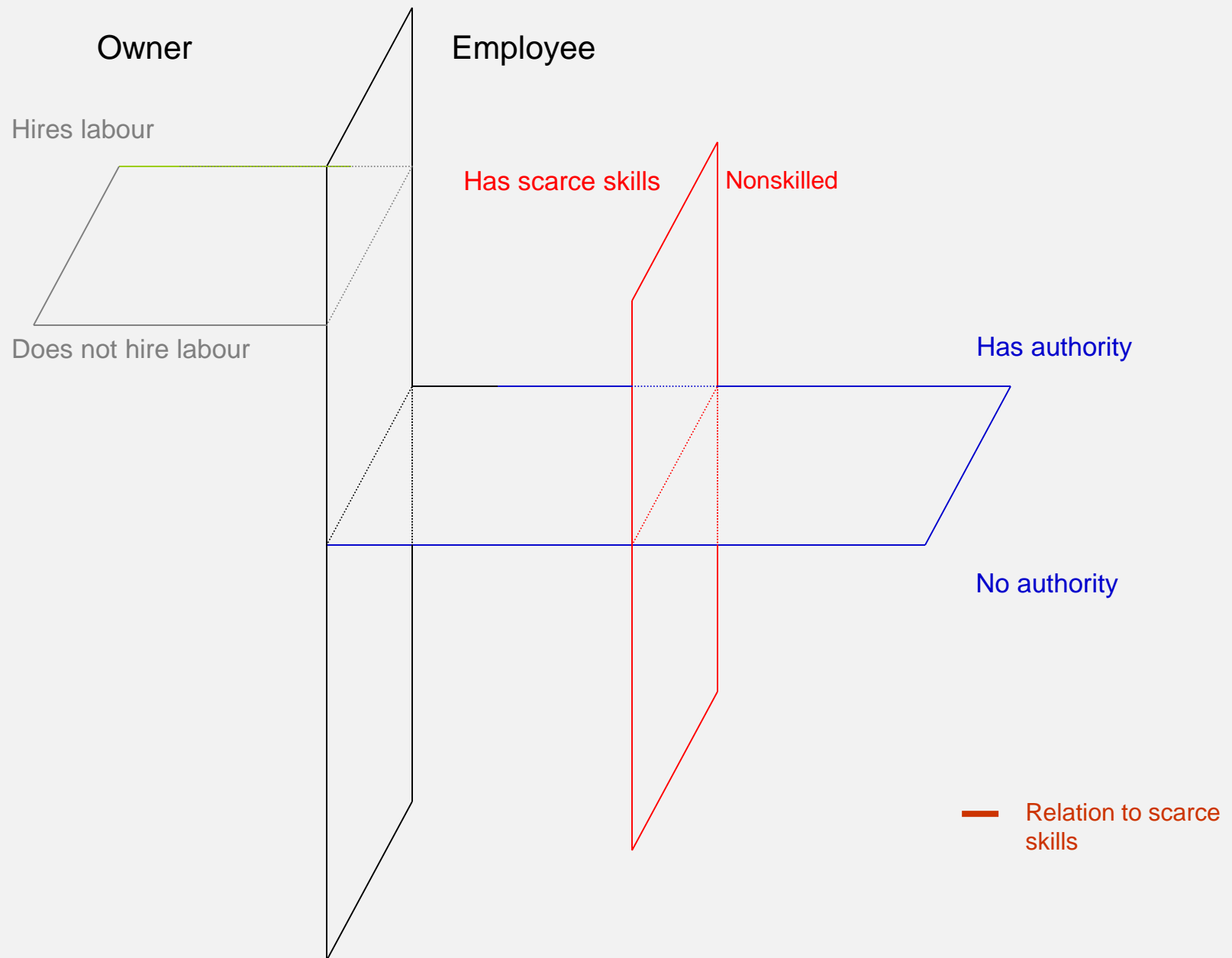
Basic class typology by Erik Olin Wright



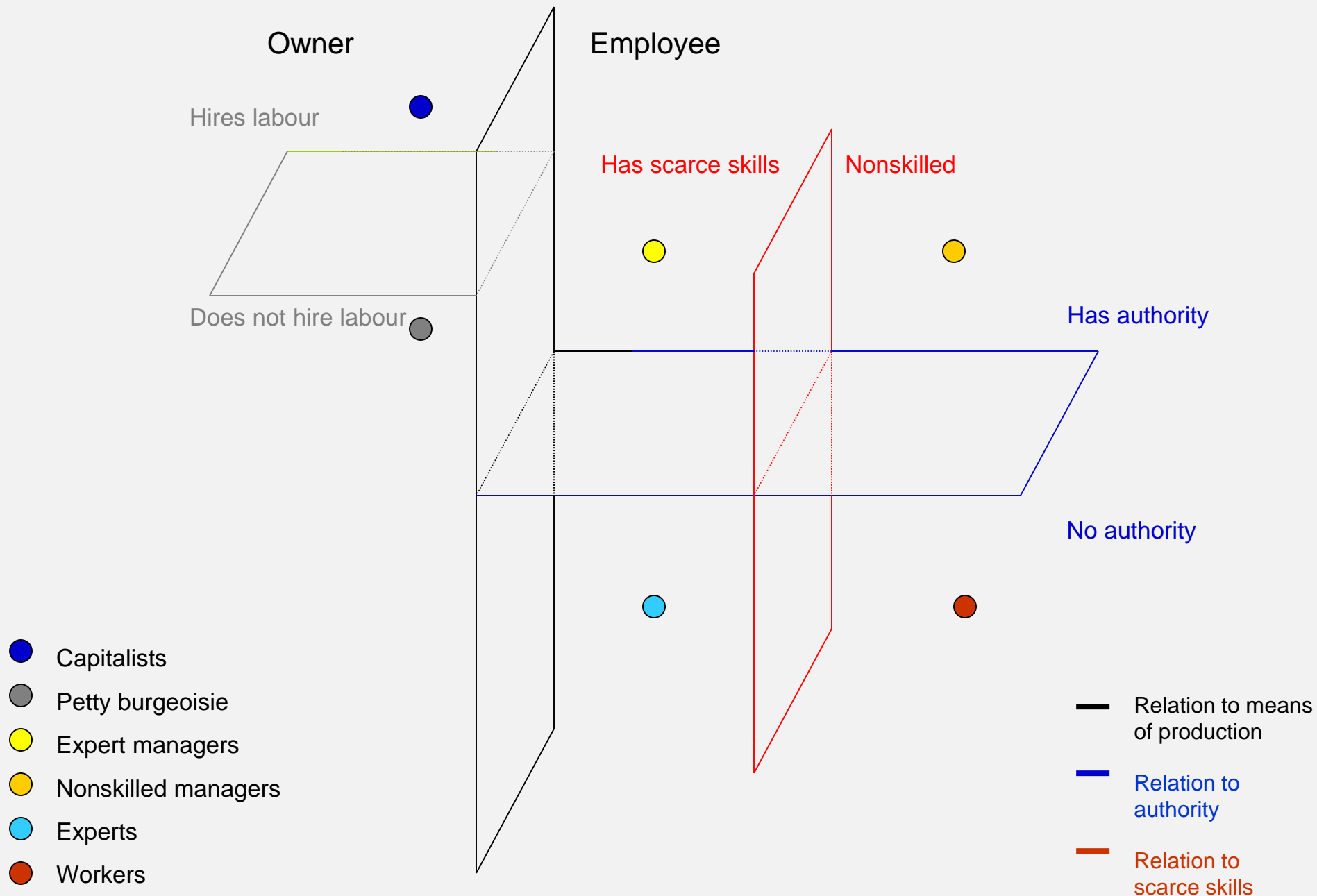
Basic class typology by Erik Olin Wright



Basic class typology by Erik Olin Wright



El modelo de clases de Erik Olin Wright



Basic class typology by Erik Olin Wright



# RELATION TO MEANS OF PRODUCTION

OWNERS

EMPLOYEES

Hire  
labour

**Capitalists**

**Expert  
Managers**

**Unskilled  
managers  
(supervisors)**

Have  
authority

RELA-  
TION  
TO

Do not  
hire  
labour

**Petty  
bourgeoisie**

**Expert  
employees**

**Workers**

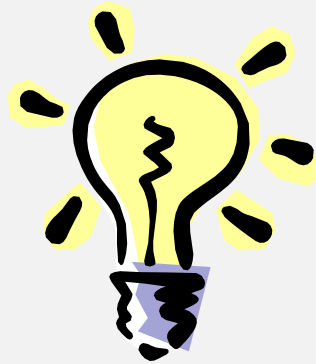
Do not  
have  
authority

AUTHO-  
RITY

Have  
scarce skills

Do not have  
scarce skills

RELATION TO  
SKILLS



In the 1980s E.O. Wright embarked in a comparative research programme for the empirical analysis of class structures

The Comparative Project on Class  
Structure and Class Consciousness

<http://www.icpsr.umich.edu/icpsrweb/ICPSR/studies/9323>



Wright used survey questions to inquire about respondents' relations to 1) the means of production, 2) authority relations and 3) scarce skills to construct his 6-class schema



## 1 PROBLEM

His schema has restricted empirical applicability since few surveys other than the CSCC include such questions!

# Some problems with Wright's theory

1. Wright is vague about the 2<sup>nd</sup> condition for exploitation: what is the appropriation of the fruits of labour exactly? (EOW recognizes that Marx's labour theory of value offers an inadequate explanation but offers no alternative)
2. Are managers really exploited?
  - Loyalty rents should counterbalance the appropriation of managers' labour effort, so it is hard to see how managers are exploited
3. Skill rents are not exploitative
  - In footnote 5 on page 18 of the student edition of Class Counts, Wright seems to be arguing that it is the barriers to access education (exclusion from productive assets) that constitute the source of skill rents....
  - ...but if so, skills are linked to exclusion not to exploitation... (skilled workers do not exploit the unskilled)

# Interesting links

- BBC documentary on Marx and recession (1 hr)  
<https://www.youtube.com/watch?v=gX4VeY3bfzw>
- Marx's Theory of Economic Crisis by Cliff Bowman (10m)  
<http://www.youtube.com/watch?v=-e8rt8RGjCM>
- HardTalk David Harvey 2010 3/3 (25m approx)
  - <http://www.youtube.com/watch?v=YtyZY9sKv2w>
  - <http://www.youtube.com/watch?v=LEoaxSDVsSA>
  - <http://www.youtube.com/watch?v=IHBcEz3cYM8>
- Reading Marx's Capital with Professor David Harvey  
<http://davidharvey.org/reading-capital/>
- Erik Olin Wright "Understanding class"  
<https://www.youtube.com/watch?v=KmiiSSMZPnE>
- Erik Olin Wright on "Envisaging Real Utopias"  
<https://www.youtube.com/watch?v=kFS1r6Df73s>

# That's all for now!

