Inequality

We live in an unequal society, stratified by wealth

- a few people get a lot of the total income, a lot of people split up the remainder

Graph of US wealth distribution in 2005:

- The richest 20% of the population owns about 85% of all the wealth in the country
- The next-richest 20% owns about 10% of all the wealth
- Leaving less than 5% of the wealth of the country to be divided among the remaining 60% of the population
- The poorest 40% (not far from half of the population!) owns so little of the national wealth that it is not even visible on the graph.

- Some estimates as of 2009 suggest that the richest 1% of Americans hold almost 50% of all American wealth
- Source: Norton and Ariely, “Building a Better America – One Quintile at a Time”
- This is from the Harvard Business School, not known for loopy liberal claims

Or consider pay: in 2005, US CEOs in major corporations earned 262 times the average pay of US full-time workers

- That is, a major CEO earns as much in ONE DAY as the average American employee earns in one YEAR
  - (2080 working hours in a year / 262 = 7.9 hours = 1 working day)
- Source: Economic Policy Institute, a progressive but legitimate research organization,
  http://www.epi.org/economic_snapshots/entry/webfeatures_snapshots_20060621/

- in 2005, US CEOs in major corporations earned 821 times the minimum wage
- A person earning minimum wage has to work a full year to earn as much as an average major CEO earns in 152 minutes. (about 2.5 hours)
- Source: Economic Policy Institute, a progressive but legitimate research organization,
  http://www.epi.org/economic_snapshots/entry/webfeatures_snapshots_20060627/
- This is extreme inequality. The rich in our society are very, very much richer than the poor, or even than the average

- compare our stratification to that of Egypt under Khufu (Cheops), the pharaoh who built the Great Pyramid at Giza

  - Khufu’s Great Pyramid at Giza
    - 230 m square (756 feet)
      - if built on this campus, it would cover Stevenson, Darwin, Salazar hall, the Student Union, the Commons, and most of the main quad
    - 146 meters tall (475 feet)
    - 2.3 million cut sandstone interior blocks, 2.5 tons each
    - estimated 84,000 laborers working 80 days/year for 20 years (~ 370,000 person-years!)
    - outside cased in limestone blocks, 16 tons each
    - cost in modern terms:
– the low-skilled labor alone at California minimum wage ($8.00/hr since 2008) would total 8.6 billion dollars
– enough sandstone for the interior blocks would cost almost 0.6 billion dollars (5.75 million tons at $100/ton)
– plus all the skilled labor, limestone, granite, etc. which today would be very expensive
  – not to mention all the gold and expensive goods placed in it
– all told, equivalent to perhaps ten billion dollars
– Khufu could build this pyramid because he basically had at his disposal the entire territory, population, and civilization of Egypt, the greatest single country on Earth at the time
– yet in 2009, there were 35 people in the world rich enough to build and furnish at least one Great Pyramid (*Forbes, The World’s Billionaires* 2009)!
– in 2011, there are 81 people in the world rich enough to do that (*Forbes, The World’s Billionaires* 2011)!
  – the number of 10-billionaires has more than doubled in the LAST TWO YEARS alone!
– Bill Gates, the second-richest man in the world, worth $56 billion this month (*Forbes, March 2011*), could build and furnish about five great pyramids
– Carlos Slim, the richest man in the world (from Mexico) could build seven
– Gates or Slim could buy out the greatest pharaoh of Old Kingdom Egypt and still have most of his fortune left over!
– today’s society is far more stratified than the extraordinarily stratified society of Old Kingdom Egypt… amazing!
  – This must have a huge effect on all sorts of social, economic, political, and other aspects of society
  – if we are going to understand how people live and relate to each other our own society, or any other, we clearly need to
  – recognize this inequality
  – and understand how it works

– **Hierarchy**: a system of ranking
  – a hierarchy may be based on any criteria for ranking people
  – wealth, as we just discussed
  – descent (or birth)
    – someone born into an aristocratic family, a commoner family, or a slave family
    – a direct descendent of a revered ancestor (George Washington, the Prophet Mohammed, etc.) vs. more distant relatives by marriage, vs. unrelated people
  – ethnicity or social race
  – education, age, gender, occupation
  – position in a hierarchical organization, like a corporation or the Catholic church
– people who fall into the same category in such a ranking are a “class”
  – royalty, nobility, serfs, working class, managerial class, educated class, “the poor”, “disadvantaged minority”, etc.
– people often use “class” to mean “socioeconomic class”
categories of people based on a combination of wealth, education, birth, overall prestige in society

members of a class typically (but not always)

have had similar experiences

may have come to see things in similar ways

may have similar needs, values, desires, etc.

they may or may not think of themselves as a group or class

may or may not have “class consciousness”: more on this later

hierarchies can vary in other ways

how many levels the hierarchy has

The American construction of socioeconomic classes

We recognize just a few levels

such as lower, middle, upper class

although all know that there really are finer divisions

India: caste system with 100s of levels, lumped into a few larger categories

Brahmins: priests

Kshatriya castes: soldiers, politicians, administrators

Vaisya castes: farmers and merchants

Sudra castes: service to other castes; include untouchables in polluting professions

the caste system is based on birth: you are born into a caste and stay there

what privileges are associated with the different levels

Indian caste system example, continued:

caste specifies your occupation will be

your social status – who is above you, and who is below you

who you can marry

hierarchies may determine many other things

whether you can vote or hold office, or which offices

whether you can own land

where you can live or work

where or whether you can go to school, etc.

how much inequality there is (how great the difference is between the privileges of the bottom level and of the top level)

how “tall” or extreme the hierarchy is

modest wealth hierarchy: richest in the hierarchy average twice as rich as the poorest

extreme wealth hierarchy: richest in the hierarchy average 100 times as rich as the poorest

how hard or easy it is to change from one level to another

also called permeability or mobility

in the Indian caste system, you could not move between castes; they were fixed by birth

in US, we have

class hierarchy: one can move between income levels and classes, but most do not
− in US, class is still strongly by birth: parents’ income is the best predictor of children’s eventual income
− hierarchy of ethnicities: harder to move between ethnicities, but possible by education, “passing”, marriage, etc.
− hierarchy of social races: hard to move between social races, although a few manage to
− Foragers live in rough equality
  − observed both ethnographically and historically
  − a functional explanation for egalitarian organization among foragers:
    − among foragers, reciprocity is needed to even out subsistence risk
    − especially with highly variable food sources like hunted meat
    − this seems to work best with generalized reciprocity
    − so children, the old, etc. are not expected to pay back an equivalent amount, as they would with balanced reciprocity
    − generalized reciprocity, in turn seems to work best with, or even require, egalitarian social organization
      − minimal inequality, minimal hierarchy
− Most other kinds of societies do not live in equality. Why not?
− Hierarchy has NOT been typical for humans
  − humans have been foragers for 98% of our existence (or more, depending on how you count)
  − so how did this aberration of hierarchical society come to be?
    − this is a question for archaeologists
    − the answer is not clear
      − but the rise of significant inequality apparently happened among large, settled groups
      − and with few possible exceptions, these generally appear to have been possible only with farming to support them
    − how is social inequality or hierarchy socially constructed?
      − that is, how is it maintained and instilled in each new member born into the society?
      − how is inequality and hierarchy naturalized: made to seem natural, normal, necessary, inevitable
        − this is an ongoing research interest in anthropology
        − we will look at this process more in the next two classes
    − but all social organization is constructed… so, how is social equality constructed?
      − one way, in one culture: “insulting the meat”
      − Lee: Eating Christmas in the Kalahari (assigned reading for a later class)
− Is hierarchy inevitable?
− Is it necessary?

− Constructing hierarchy
  − Constructing inequality through ideology
    − ideology: a set of beliefs and values
      − typically, that are a worldview, or that explain a worldview
      − often (not always) characteristic of a culture:
– shared ideas about how the world works
– and shared values about what is good, bad, appropriate, etc.
– Most or all societies have an ideology that naturalizes their social organization
  – makes it seem normal, reasonable, necessary, natural
– ideologies are usually emic
  – they are ideas that the people in a society have about their own society
  – how they see their own cultural world
– Some societies have ideology of equality
  – such as the Ju/'hoansi
– most societies societies today have ideologies of inequality
  – that is, they have an ideology that naturalizes inequality
  – makes differences in status, prestige, wealth, power, etc. seem normal, right, natural, inevitable
  – that allow people to construct and think about ranked categories in ways that are consistent with the rest of their culture’s values
– such as our ideology of socioeconomic class here in the US (ideology of class is a term from Marx, more on this later)
  – we assume that socioeconomic class differences are natural, inevitable, and acceptable
  – US ideology of class is based on the idea that there is equal opportunity and a “level playing field”
    – so any differences in success are due to people’s own effort and ability
  – in order for this ideology to be believable, there must be some ability or quality that justifies why some people are upper class
    – some are born or raised to be better equipped to succeed
    – more intelligent, harder working, more willing to take risks, etc.
  – in other ideologies, there would be other justifications or explanations for inequality
    – some families are favored by God
    – some families might even have the “divine right of Kings”
    – fate
    – your class in this life is determined by your behavior in previous lives, etc.
– this ideology of class is functional
  – it serves psychological needs
    – without it, we would have to think that poverty is unfair
    – the lower class might feel wronged; the upper class might feel guilty
    – this is an example of Malinowski’s functionalism, based on the doctrine of needs
  – it serves social stability
    – otherwise, the lower class might try to change something
      – at the upper class’s expense
      – think strikes, work slowdowns, vandalism, arson, riots…
    – this is an example of Radcliffe-Brown’s structural functionalism
– Other hierarchies are naturalized by other ideologies
  – hierarchies of gender
    – based on constructions of masculinity and femininity
– hierarchies of race
  – based on constructions of racial categories and their supposedly different characteristics, abilities, and faults
– hierarchies of ethnicity, and others
– we will look at some of these in later classes

– Two broad views of hierarchy: integrative theory and exploitative theory

  – **integrative** theories of hierarchy (or social stratification, or inequality)
    – hierarchy is needed to coordinate more complex activities
      – which are necessary as population grows and production is intensified
        – irrigation systems
        – storage facilities to tide over crop losses, and to compensate people for activities on behalf of the group, like construction projects
        – defensive walls
        – effective military
        – conflict resolution
        – police to enforce peace, property, civility
        – and many other new functions
    – the more complex the division of labor gets (the more different roles and specialties)…
      – the more interactions there are
    – and the more coordination (functional integration) is needed for successful outcomes

  – example seeing the Indian caste system as integrative
    – everyone knows their place and role, and does it willingly
    – landowners have willing workers
    – laborers are assured of work
    – all necessary tasks get done without obvious coercion
    – society produces and reproduces itself, remains stable

  – much the same could be said for hierarchies of wealth, power, status
    – they are ultimately for the good of all of society
    – very rich CEOs are normal and necessary because they are needed to create jobs and products we want

  – **exploitative** theories of hierarchy (or social stratification, or inequality)
    – hierarchy is created, maintained, and expanded by individuals or groups who seek to gain wealth or power by exploiting others

    – example seeing the Indian caste system as exploitative:
      – the caste system originally grew out of some groups’ efforts to retain power and wealth for themselves
      – preventing other groups from competing for it
      – evidence: lower castes have rebelled on occasion, and been suppressed by forces working for the upper castes

    – one way hierarchy could start would be by taking advantage of controlling surplus in a redistributive system
      – as Harris suggested in his article about the potlatch
– a person or group in control of pooled resources for redistribution has power over who gets what
  – may be limited by custom and demands for fairness
  – but skillful people could manipulate this to their advantage
  – eventually (maybe after generations), those in control of the stored surplus could begin to skim some off for themselves
    – now they are gaining not only power, but also wealth
      – which enhances power, too
  – eventually leading to a chief or ruler, and probably a surrounding court of nobility, who lives better than everyone else
    – and has power over everyone else: a hierarchy
  – or an institution with power and wealth, like a temple
    – operated by people who benefit from the institution’s power and wealth
      – who have every reason to keep expanding its role, and their own power
  – another way would be through military power
    – people might accept hierarchy as necessary for defense
      – a successful military leader might parlay that prestige and power into a permanent position atop a hierarchy
    – and there are other theories, all based on individuals seeking their own advantage
  – once a little hierarchy exists…
    – people may tend to work on working their way up it and building their own position, wherever they are in it
      – rather than resisting it, or rejecting inequality
    – anyone with experience in business or administration (military, university, etc.) knows that bureaucracies tend to grow…
    – people climbing the hierarchy and securing positions in it will create ever more levels and inequality
      – supporting the ideology that legitimizes and naturalizes the hierarchy
  – These two views of hierarchy are ideologies (or cultural constructs) in themselves!
    – integrative theories lead to ideologies or worldviews attractive to those at the top of the hierarchy
      – they imply that hierarchy and the people at the top provide a needed function that justifies their higher status and power
    – exploitative theories lead to ideologies or worldviews attractive to those at the bottom
      – they imply that their low status and power is not their fault, but is imposed on them unfairly
  – Next time, we will look at an example of an “exploitative” theory of socioeconomic hierarchy: the Marxian model of capitalism