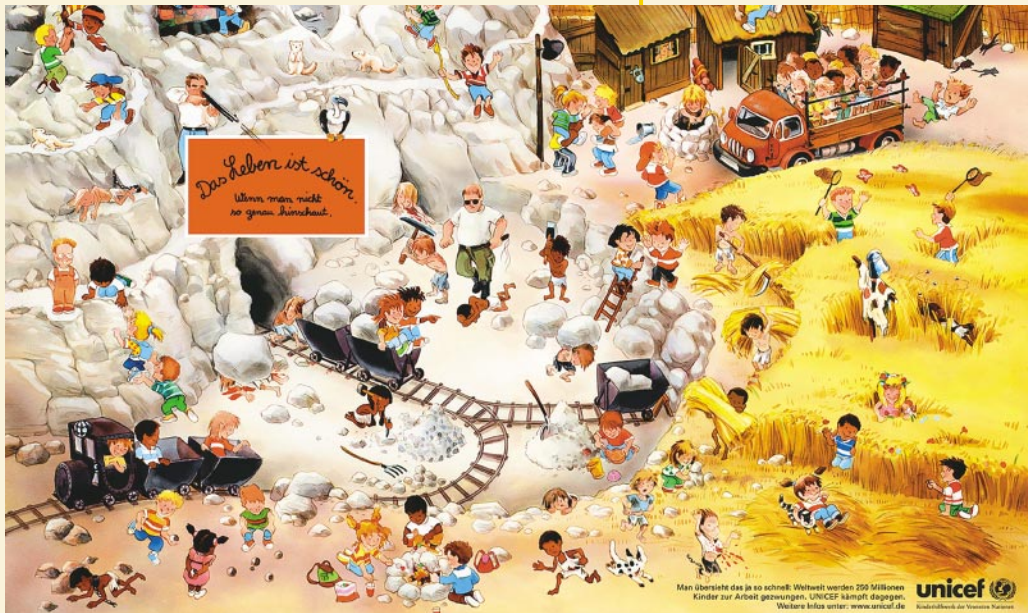


STRATIFICATION IN CANADA AND WORLDWIDE



“Life is beautiful—if you don’t look too closely” is the message in UNICEF’s poster, which calls attention to the 250 million victims of forced child labour throughout the world. A highly stratified society, widespread poverty, unequal life chances, and a global economy all contribute to the use of child labour.

Understanding Stratification

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Boxes

SOCIOLOGY IN THE GLOBAL COMMUNITY: Slavery in the Twenty-First Century

SOCIOLOGY IN THE GLOBAL COMMUNITY: Poverty and Global Inequality

Instantly recognized throughout the world, the *Nike swoosh* sometimes seems to be everywhere—on shirts and caps and pants. The icon is no longer confined to shoes as sponsorship deals have plastered the *swoosh* across jerseys and sporting arenas of all manner, from basketball to football to volleyball to track to soccer to tennis to hockey. *Nike's* growth strategy is based on penetrating new markets in apparel while making acquisitions in sporting goods. The value of the *swoosh* now runs so deep that visitors to remote, rural, and impoverished regions of the Third World report finding *swoosh* imitations onto shirts and caps, not for the world market but for local consumption. . . . As the

Nike symbol has grown ascendant in the marketplace of images, *Nike* has become the sign some people love to love and the sign others love to hate. . . .

Nike is a transnational corporation that links national economies into a complex web of global production arrangement. . . . Almost all production of shoes, apparel and accessories is outsourced to contract suppliers in developing nations while the home office in Beaverton, Oregon, designs, develops, and markets the branded goods. . . .

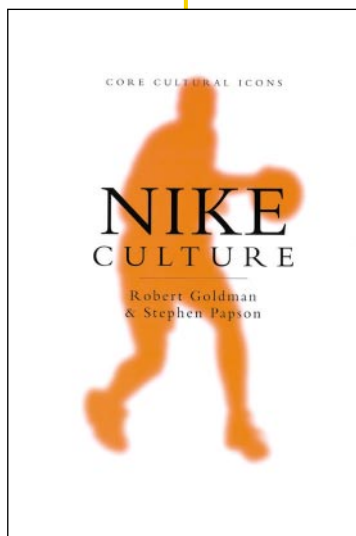
It is very difficult to compete in today's athletic footwear industry without engaging

in the outsourcing of labour to relatively unskilled labourers in impoverished nations. Companies in the athletic footwear industry depend on the existence of poor Asian nations where there is a ready surplus of labour force in need of work and wages, even if those wages are below the poverty line. . . .

Nike speaks the language of universal rights, concern for children, transcen-

dence over the categories of age, race, gender, disability or any social stereotype. As moral philosophy, its images speak out against racism, sexism, and ageism. *Nike's* imagery celebrates sport, athletic activity, and play as universally rewarding categories. Playing makes for healthier, more productive citizens, and better self-actualized human beings. However, no matter

what its imagery suggests, *Nike*, like any other capitalist firm, must operate within the relationships and constraints of competitive capitalist marketplaces. No matter how many P.L.A.Y. commercials *Nike* runs on TV, there will still be haunting images of production practices in Pakistan, Indonesia, and Vietnam. As the world grows more unified, it becomes increasingly difficult to suppress entirely those gaps between image and practice, between humanism and capitalism, between moral philosophy and the bottom line of corporate profit growth. (*Goldman and Papson 1998:2, 6–8, 184*) ■ 



As sociologists Robert Goldman and Stephen Pappson note in their book *Nike Culture*, the Nike symbol (the swoosh) and philosophy (“Just do it”) have swept the world. People in all parts of the globe pay up to hundreds of dollars for a pair of Air Jordan shoes, and teams in all kinds of sporting arenas wear the Nike logo. Unfortunately, there is another side to Nike’s global dominance. Its products are made in harsh sweatshop conditions for very little compensation, mostly in the developing nations. One group critical of Nike’s practices claimed in 1996 that the 45 Indonesian workers who participated in making a \$70 pair of Air Pegasus shoes shared a total of \$1.60. Other stories of Vietnamese and Chinese women who are subject to health and safety hazards, pitifully underpaid, and physically harassed by shop floor managers have also helped to fuel concern about human rights violations.

This concern has recently given rise to such organizations as Students Against Sweatshops—Canada, based on university campuses across the country. Because this is an issue that combines women’s rights, immigrant rights, environmental concerns, and human rights, it has linked disparate groups on campus. Nike is not their only target. Many apparel manufacturers contract out their production to take advantage of cheap labour and overhead costs. The student movement—ranging from sit-ins and “knit-ins” to demonstrations and building occupations—has been aimed at ridding campus stores of all products made in sweatshops, both at home and abroad. Pressed by their students, many colleges and universities have agreed to adopt anti-sweatshop codes governing the products they make and stock on campus. And Nike and Reebok, partly in response to student protests, have raised the wages of some 100 000 workers in their Indonesian factories (to about 20 cents an hour—still far below what is needed to raise a family) (Appelbaum and Dreier 1999; Global Alliance for Workers and Communities 2001).

The global corporate culture of the apparel industry focuses our attention on worldwide social stratification—on the enormous gap between wealthy nations and poorer nations. In many respects, the wealth of rich nations depends on the poverty of poor nations. As Figure 8-1 shows, people in industrialized societies benefit when they buy consumer goods made by low-wage

workers in developing countries. And yet the low wages workers earn in multinational factories are comparatively high for those countries.

Ever since people first began to speculate about the nature of human society, their attention has been drawn to the differences between individuals and groups within any society. The term **social inequality** describes a condition in which members of a society have different amounts of wealth, prestige, or power. Some degree of social inequality characterizes every society.

When a system of social inequality is based on a hierarchy of groups, sociologists refer to it as **stratification**: a structured ranking of entire groups of people that perpetuates unequal economic rewards and power in a society. These unequal rewards are evident not only in the distribution of wealth and income but also in the distressing mortality rates of impoverished communities. Stratification involves the ways in which one generation passes on social inequalities to the next, thereby producing groups of people arranged in rank order from low to high.

Stratification is a crucial subject of sociological investigation because of its pervasive influence on human interactions and institutions. It inevitably results in social inequality because certain groups of people stand higher in social rankings, control scarce resources, wield power, and receive special treatment. As we will see in this chapter, the consequences of stratification are evident in the unequal distribution of wealth and income within industrial societies. The term **income** refers to salaries and wages. By contrast, **wealth** is an inclusive term encompassing all of a person’s material assets, including land, stocks, and other types of property.

Do you think that social inequality is an inevitable part of any society? How do you think government policy affects the life chances of the working poor? How are wealth and income distributed, and how much opportunity does the average worker have to move up the social ladder? What economic and political conditions explain the divide between rich nations and poor? This chapter focuses on the unequal distribution of socially valued rewards and its consequences. We will examine three general systems of stratification, paying particular attention to the theories of Karl Marx and

FIGURE 8-1**The Sweat behind the Shirt**

1. **UZBEKISTAN.** Workers who harvest cotton earn about 2¢ a pound. Reports indicate that some of these workers are as young as 12 years old and commonly work at least 9 hours a day.



3. **SOUTH KOREA.** Raw cotton is processed, spun, and woven by textile workers who make roughly \$4 an hour.



...and then approximately 4,000 miles east across Asia, to Korea.



2. Raw cotton is shipped through Iran to the Arabian Sea...



4. Textiles are shipped north across Asia, this time ending up in far eastern Russia.



5. **RUSSIA.** Sweatshirts are cut and sewn by seamstresses who earn between \$39 and \$69 a month and typically work 9- to 10-hour days, six days a week. According to one report, seamstresses were also given a \$12/month lunch subsidy.



8. Nonunion truckers are paid anywhere from 28¢ to 40¢ a mile to drive containers of Gap products from California to the Gap distribution center in Fishkill, NY.



7. International Longshore and Warehouse Union members unload cargo. They are paid, on average, \$26 an hour.



6. Shirts are loaded onto a ship like the *Hyundai Republic* (which sails under the Panamanian flag even though Hyundai is a Korean company) and shipped to Long Beach, CA. Union seamen on the *Hyundai* make about \$1,250 a month.



9. **FISHKILL, NY.** At the Gap distribution center, nonunion "merchandise handlers" start at \$10 an hour.



10. Entry-level pay for jobs at the Gap in midtown Manhattan is \$6 an hour (nonunion).



11. Sweatshirts can be purchased for \$48, sweat not included.

Source: Gordon, Jesse, and Knickerbocker 2001.

Think about It

To what extent does the affluence people in Canada enjoy depend on the labour of workers in less-developed countries?

Max Weber, as well as to functionalist, interactionist, conflict, and feminist theories. We will see how sociologists define social class and examine the consequences of stratification for people's wealth and income, health, and educational opportunities. And we will confront the question of social mobility, both upward and downward. We will consider who controls the world marketplace and examine the trend toward modernization. Then we will focus on stratification *within* nations. Finally, in the social policy section, we will address the issue of welfare reform in both North America and Europe. ■

Use Your Sociological Imagination

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college/schaefer

What might some feminist theorists contribute to a discussion on the ways in which Nike operates in the global marketplace? How might conflict thinkers conceptualize the practices of Nike in this so-called "complex web of global production"? How might a functionalist sociologist interpret the practices of Nike, and other transnational corporations, in terms of the economic conditions workers face in such countries as Pakistan, Indonesia, and Vietnam?

UNDERSTANDING STRATIFICATION

Systems of Stratification

Look at the three general systems of stratification examined here—slavery, castes, and social classes—as ideal types useful for purposes of analysis. Any stratification system may include elements of more than one type.

To understand these systems better, it may be helpful to review the distinction between *achieved status* and *ascribed status*, described in Chapter 5. Ascribed status is a social position “assigned” to a person without regard for that person’s unique characteristics or talents. By contrast, achieved status is a social position attained by a person largely through his or her own effort. The two are closely linked. The nation’s most affluent families generally inherit wealth and status, while many members of racial and ethnic minorities inherit disadvantaged status. Age and gender, as well, are ascribed statuses that influence a person’s wealth and social position.

Slavery

The most extreme form of legalized social inequality for individuals or groups is *slavery*. What distinguishes this oppressive system of stratification is that enslaved individuals are *owned* by other people. They treat these human beings as property, just as if they were household pets or appliances.

Slavery has varied in the way it has been practised. In ancient Greece, the main sources of slaves were captives

of war and piracy. Although succeeding generations could inherit slave status, it was not necessarily permanent. A person’s status might change depending on which city-state happened to triumph in a military conflict. In effect, all citizens had the potential of becoming slaves or of being granted freedom, depending on the circumstances of history. By contrast, in the United States and Latin America, where slavery was an ascribed status, racial and legal barriers prevented the freeing of slaves. As Box 8-1 shows, millions of people still live as slaves around the world.

Castes

Castes are hereditary systems of rank, usually religiously dictated, that tend to be fixed and immobile. The caste system is generally associated with Hinduism in India and other countries. In India there are four major castes, called *varnas*. A fifth category, referred to as *untouchables*, is considered to be so lowly and unclean as to have no place within this system of stratification. There are also many minor castes. Caste membership is an ascribed status (at birth, children automatically assume the same position as their parents). Each caste is quite sharply defined, and members are expected to marry within that caste.

Caste membership generally determines a person’s occupation or role as a religious functionary. An example of a lower caste in India is the *Dons*, whose main work is the undesirable job of cremating bodies. The caste system promotes a remarkable degree of differentiation. Thus,

the single caste of chauffeurs has been split into two separate sub-castes: drivers of luxury cars have a higher status than drivers of economy cars.

In recent decades, industrialization and urbanization have taken their toll on India’s rigid caste system. Many villagers have moved to urban areas where their low-caste status is unknown. Schools, hospitals, factories, and public transportation facilitate contacts between different castes that were previously avoided at all costs. In addition, the government has tried to reform the caste system. India’s constitution, adopted in 1950, includes a provision abolishing discrimination against untouchables, who had traditionally been excluded from temples, schools, and most forms of employment. Yet the



Jacob Lawrence’s painting, *Harriet Tubman Series No. 9*, graphically illustrates the torment of slavery. Slavery is the most extreme form of legalized social inequality.

Around the world, at least 27 million people were still enslaved at the beginning of the twenty-first century. And yet the 1948 Universal Declaration of Human Rights, which is supposedly binding on all members of the United Nations, holds that “No one shall be held in slavery or servitude; slavery and the slave trade shall be prohibited in all their forms” (Masland 1992:30, 32).

Canada considers any person a slave who is unable to withdraw his or her labour voluntarily from an employer. In many parts of the world, bonded labourers are imprisoned in virtual lifetime employment as they struggle to repay small debts. In other places human beings are owned outright.

The Swiss-based human rights group Christian Solidarity International

has focused worldwide attention on the plight of slaves in the African nation of Sudan. The organization solicits funds and uses them to buy slaves their freedom—at about \$50 a slave.

Although contemporary slavery may be most obvious in developing countries, it also afflicts the industrialized nations of the West. Throughout Europe, guest workers and maids are employed by masters who hold their passports, subject them to degrading working conditions, and threaten them with deportation if they protest. Similar tactics are used to essentially imprison young women from Eastern Europe and Asia who have been brought (through deceptive promises) to work in the sex industries of Canada, Belgium, France, Germany, Greece, the Netherlands, and Switzerland.

Within Canada and other developed countries, illegal immigrants are forced to labour for years under terrible conditions, either to pay off debts or to avoid being turned over to immigration authorities. Estimates of the number of women brought into Canada as forced sex workers in 2000 vary from 8000 to 16 000.

Applying Theory

1. According to conflict theorists, why are many bonded labourers around the world in the position of slaves?
2. What explanations might some feminist sociologists have for the varying incidence rates of forced sex work from one country to another?

Sources: Fisher 1999; France 2000; Jacobs 2001; Masland 1992; Richard 2000.

caste system prevails, and its impact is now evident in electoral politics, as various political parties compete for the support of frustrated untouchable voters who constitute one-third of India’s electorate. For the first time, India has someone from an untouchable background serving in the symbolic but high-status position of president. Meanwhile, however, dozens of low-caste people continue to be killed for overstepping their lowly status in life (Dugger 1999; Schmetzer 1999).

Social Classes

A **class system** is a social ranking based primarily on economic position in which achieved characteristics can influence social mobility. In contrast to slavery and caste systems, the boundaries between classes are imprecisely defined, and people can move from one stratum, or level, of society to another. Even so, class systems maintain stable stratification hierarchies and patterns of class divisions, and they, too, are marked by unequal distribution of wealth and power.

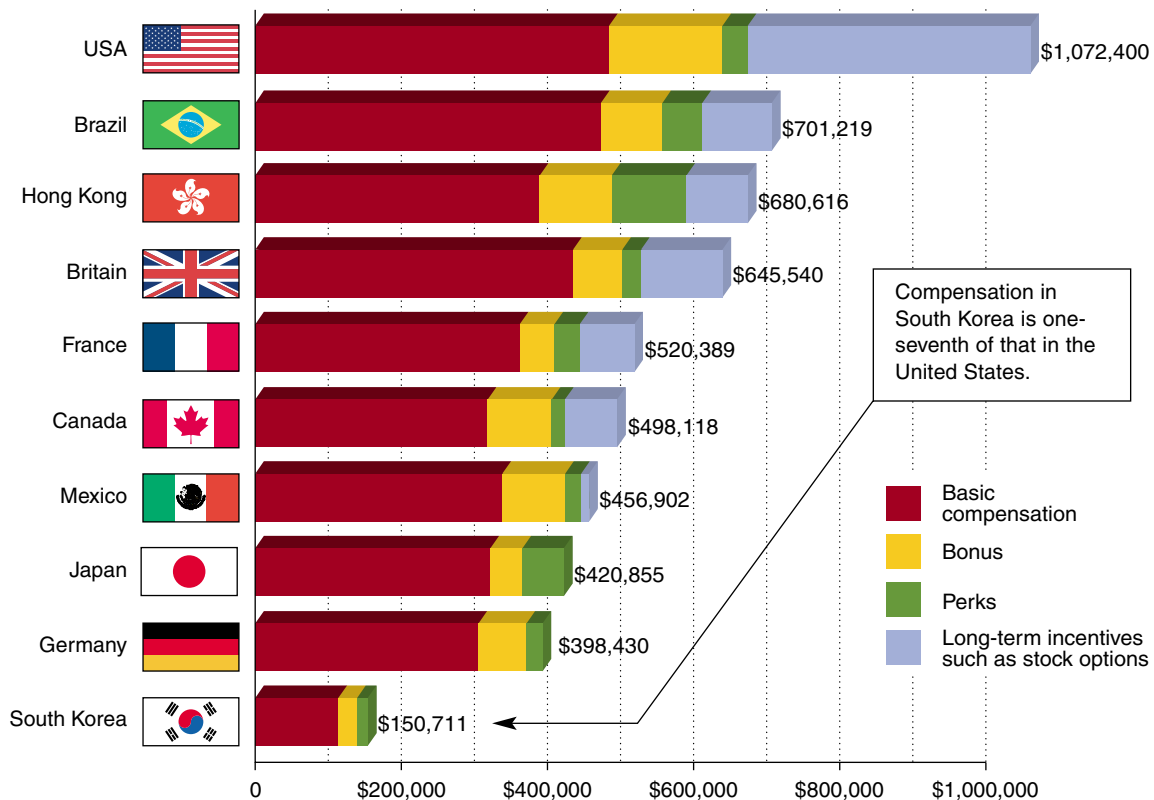
Income inequality is a basic characteristic of a class system. In 2000, the median household income in Canada was \$55 000. In other words, half of all households had higher incomes in that year and half had lower

incomes. Yet this fact may not fully convey the income disparities in our society. In 2000, Canadian families in the top 10 percent of income accounted for 28 percent of total family income, while families in the bottom 10 percent earned less than 2 percent of total family income (Statistics Canada 2003c). Canada’s rich are getting richer, with their collective net worth reaching an all-time high of \$130 billion in 2004 (Horsey 2004). These one hundred individuals include Michael Lazaridis and James Balsillie, co-founders of Research and Motion; Jeff Skoll of eBay; and Galen Weston of George Weston Ltd., which controls the Loblaw supermarket chain. In stark contrast to this increase in wealth among the wealthy, the rate of child poverty in Canada increased in 2002, bringing the number of children who live in poverty to 1 065 000 or nearly one in six (Campaign 2000 2004).

The people with the highest incomes, generally those heading private companies, earn well above even affluent wage earners. Figure 8-2 shows the average annual pay package for CEOs (chief executive officers) in many industrial countries. The compensation CEOs receive is not necessarily linked to conventional measures of success. For example, the U.S. economy worsened in 2002, an analysis showed that the CEOs who received the

FIGURE 8-2

Around the World: What's a CEO Worth?



Source: Towers Perrin in Bryant 1999: Section 4, p. 1.

Note: The average annual pay package of the chief executive officer (CEO) of an industrial company with annual revenues of \$250 million to \$500 million in 10 countries. Figures are from April 1998 and are not weighted to compensate for different costs of living or levels of taxation.

Think about It

Why are CEOs in the United States “worth” more than those in other countries?

highest compensation were generally those who authorized the largest layoffs (Klinger et al. 2002).

A 2004 study conducted by Leger Marketing, on behalf of Amex Canada, revealed some characteristics of wealthy or affluent Canadians, defined as those with annual household incomes or investable assets of \$200 000 or more (*The Globe and Mail* 2004a):

- Affluent Canadians take, on average, three vacations a year, expecting to pay \$2000 per person.
- Affluent Canadians dine out, on average, seven times per month.
- Thirty-nine percent of affluent Canadians own two properties.
- Twenty-five percent of affluent Canadians send their children to private schools.
- Twenty-five percent of affluent Canadians belong to private clubs (e.g., golf, tennis).
- Forty percent of affluent Canadians have home theatres.

Statistics reflecting personal wealth or *net worth* (assets minus debts) demonstrate an enormous gap between the richest 10 percent and the poorest 10 percent of Canadian families. In 1999, for example, the poorest 10 percent of Canadian families had an average net worth of $-\$7110$ (meaning that they owed more than they owned), while the richest 10 percent had an average net worth of $\$1\,059\,423$ (Statistics Canada 2001c). What is most distressing about this disparity is that the poorest 10 percent control -0.6 percent of the total wealth of Canadian families, while the richest 10 percent control 55.7 percent of the total wealth.



Studies show that wealthy Canadians take, on average, three vacations a year. Their expensive lifestyle underscores the unequal distribution of wealth and power in Canada.

Both of these groups, at opposite ends of the nation's economic hierarchy, reflect the importance of ascribed status and achieved status. Ascribed statuses, such as race, gender, and class, clearly influence a person's wealth and social position. And sociologist Richard Jenkins (1991) has researched how the ascribed status of having a disability marginalizes people in society. People with disabilities are particularly vulnerable to unemployment, are often poorly paid, and in many cases are on the lower rung of occupational ladders. Regardless of their actual performance on the job, people with disabilities are stigmatized as not "earning their keep." Such are the effects of ascribed status.

Social class is one of the independent or explanatory variables most frequently used by social scientists to shed light on social issues. In later chapters, we will analyze the relationships between social class and divorce patterns (Chapter 11), religious behaviour (Chapter 12), and formal schooling (Chapter 12), as well as other relationships in which social class is a variable.

Theoretical Perspectives on Social Stratification

Must some members of society receive greater rewards than others? Do people need to feel socially and economically superior to others? Can social life be organized without structured inequality? These questions have been debated for centuries, especially among political activists. Utopian socialists, religious minorities, and members of recent countercultures have all attempted to establish communities that, to some extent or other, would abolish inequality in social relationships.

Social science research has found that inequality exists in all societies—even the simplest. For example, when anthropologist Gunnar Landtman ([1938] 1968) studied the Kiwai Papuans of New Guinea, he initially noticed little differentiation among them. Every man in the village did the same work and lived in similar housing. However, on closer inspection, Landtman observed that certain Papuans—the men who were warriors, harpooners, and sorcerers—were described as "a little more high" than others. By contrast, villagers who were female, unemployed, or unmarried were considered "down a little bit" and were barred from owning land.

Stratification is universal in that all societies maintain some form of social inequality among members. Depending on its values, a society may assign people to distinctive ranks based on their religious knowledge, skill in hunting, beauty, trading expertise, or ability to provide health care. But why has such inequality developed in human societies? And how much differentiation among people, if any, is actually essential?

Functionalist and conflict sociologists offer contrasting explanations for the existence and necessity of social stratification. Functionalists maintain that a differential system of rewards and punishments is necessary for the efficient operation of society. Conflict theorists argue that competition for scarce resources results in significant political, economic, and social inequality. Some feminist sociologists argue that gender and its interconnections with race, age, class, and disability come together to produce various levels of inequality in society. Interactionist sociologists focus their attention on the interactions among individuals that serve to create and maintain social inequality.

Functionalist View

Would people go to school for many years to become physicians if they could make as much money and gain as much respect working as street cleaners? Functionalists say no, which is partly why they believe that a stratified society is universal.

In the view of Kingsley Davis and Wilbert Moore (1945), society must distribute its members among a

variety of social positions. It must not only make sure that these positions are filled but also see that they are staffed by people with the appropriate talents and abilities. Rewards, including money and prestige, are based on the importance of a position and the relative scarcity of qualified personnel. Yet this assessment often devalues work performed by certain segments of society, such as women's work as homemakers or in occupations traditionally filled by women, or low-status work in fast-food outlets.

Davis and Moore (1945) argue that stratification is universal and that social inequality is necessary so that people will be motivated to fill functionally important positions. But, critics say, unequal rewards are not the only means of encouraging people to fill critical positions and occupations. Personal pleasure, intrinsic satisfaction, and value orientations also motivate people to enter particular careers. Functionalists agree but note that society must use some type of reward to motivate people to enter unpleasant or dangerous jobs and jobs that require a long training period. This response does not justify stratification systems in which status is largely inherited, such as slave or caste societies. Similarly, it is difficult to explain the high salaries our society offers to professional athletes or entertainers on the basis of how critical these jobs are to the survival of society (R. Collins 1975; Kerbo 2000; Tumin 1953, 1985).

Even if stratification is inevitable, the functionalist explanation for differential rewards does not explain the wide disparity between the rich and the poor. Critics of the functionalist approach point out that the richest 10 percent of households account for 20 percent of the nation's income in Sweden, 25 percent in France, 28 percent in Canada, and 31 percent in the United States. In their view, the level of income inequality found in contemporary industrial societies cannot be defended—even though these societies have a legitimate need to fill certain key occupations (World Bank 2002:74–76).

Conflict View

Karl Marx's View of Stratification

Sociologist Leonard Beeghley (1978:1) aptly noted that “Karl Marx was both a revolutionary and a social scientist.” Marx was concerned with

stratification in all types of human societies, beginning with primitive agricultural tribes and continuing into feudalism. But his main focus was on the effects of economic inequality on all aspects of nineteenth-century Europe. The plight of the working class made him feel that it was imperative to strive for changes in the class structure of society.

In Marx's view, social relations during any period of history depend on who controls the primary mode of economic production, such as land or factories. Differential access to scarce resources shapes the relationship between groups. Thus, under the feudal estate system, most production was agricultural, and the land was owned by the nobility. Peasants had little choice but to work according to terms dictated by those who owned the land.

Using this type of analysis, Marx examined social relations within *capitalism*—an economic system in which the means of production are largely in private hands and the main incentive for economic activity is the accumulation of profits (Rosenberg 1991). Marx focused on the two classes that began to emerge as the feudal estate system declined—the bourgeoisie and the proletariat. The *bourgeoisie*, or capitalist class, owns the means of production, such as factories and machinery, whereas the *proletariat* is the working class. In capitalist societies, the members of the bourgeoisie maximize profit in competition with other firms. In the process,



As popular songs and movies suggest, long-haul truck drivers take pride in their low-prestige job. According to the conflict perspective, the cultural beliefs that form a society's dominant ideology, such as the popular image of the truck driver as hero, help the wealthy to maintain their power and control at the expense of the lower classes.

they exploit workers, who must exchange their labour for subsistence wages. In Marx's view, members of each class share a distinctive culture. He was most interested in the culture of the proletariat, but he also examined the ideology of the bourgeoisie, through which it justifies its dominance over workers.

According to Marx, exploitation of the proletariat will inevitably lead to the destruction of the capitalist system because the workers will revolt. But, first, the working class must develop *class consciousness*—a subjective awareness of common vested interests and the need for collective political action to bring about social change. Workers must often overcome what Marx termed *false consciousness*, or an attitude held by members of a class that does not accurately reflect its objective position. A worker with false consciousness may adopt an individualistic viewpoint toward capitalist exploitation (“I am being exploited by *my* boss”). By contrast, the class-conscious worker realizes that *all* workers are being exploited by the bourgeoisie and have a common stake in revolution (Vanneman and Cannon 1987).

For Karl Marx, class consciousness is part of a collective process whereby the proletariat comes to identify the bourgeoisie as the source of its oppression. Revolutionary leaders will guide the working class in its class struggle. Ultimately, the proletariat will overthrow the rule of the bourgeoisie and the government (which Marx saw as representing the interests of capitalists) and will eliminate private ownership of the means of production. In his rather utopian view, classes and oppression will cease to exist in the postrevolutionary workers' state.

How accurate were Marx's predictions? He failed to anticipate the emergence of labour unions, whose power in collective bargaining weakens the stranglehold that capitalists maintain over workers. Moreover, as contemporary conflict theorists note, he did not foresee the extent to which political liberties and relative prosperity could contribute to “false consciousness.” Many people have come to view themselves as individuals striving for improvement within “free” societies with substantial mobility—rather than as downtrodden members of social classes facing a collective fate. Finally, Marx did not predict that communist party rule would be established and later overthrown in the Commonwealth of Independent States (the former Soviet Union) and throughout Eastern Europe. Still, the Marxist approach to the study of class is useful in stressing the importance of stratification as a determinant of social behaviour and the fundamental separation in many societies between two distinct groups, the rich and the poor.

The writings of Karl Marx are at the heart of conflict theory. Marx viewed history as a continuous struggle between the oppressors and the oppressed that would

ultimately culminate in an egalitarian, classless society. In terms of stratification, he argued that the dominant class under capitalism manipulated the economic and political systems in order to maintain control over the exploited proletariat. Marx did not believe that stratification was inevitable, but he did see inequality and oppression as inherent in capitalism (Wright et al. 1982).

The Views of Ralf Dahrendorf

Like Marx, contemporary conflict theorists believe that human beings are prone to conflict over such scarce resources as wealth, status, and power. However, where Marx focused primarily on class conflict, more recent theorists have extended this analysis to include conflicts based on gender, race, age, and other dimensions. British sociologist Ralf Dahrendorf is one of the most influential contributors to the conflict approach.

Dahrendorf (1959) modified Marx's analysis of capitalist society to apply to *modern* capitalist societies. For Dahrendorf, social classes are groups of people who share common interests resulting from their authority relationships. In identifying the most powerful groups in society, he includes not only the bourgeoisie—the owners of the means of production—but also the managers of industry, legislators, the judiciary, heads of the government bureaucracy, and others. In that respect, Dahrendorf has merged Marx's emphasis on class conflict with Weber's recognition that power is an important element of stratification (Cuff et al. 1990).

Conflict theorists, including Dahrendorf, contend that the powerful of today, like the bourgeoisie of Marx's time, want society to run smoothly so that they can enjoy their privileged positions. Because the status quo suits those with wealth, status, and power, they have a clear interest in preventing, minimizing, or controlling societal conflict.

Max Weber's View of Stratification

Unlike Karl Marx, Max Weber insisted that no single characteristic (such as class) totally defines a person's position within the stratification system. Instead, writing in 1916, he identified three distinct components of stratification: class, status, and power (Gerth and Mills 1958).

Weber used the term *class* to refer to people who have a similar level of wealth and income. For example, certain workers in Canada try to support their families through minimum-wage jobs. According to Weber's definition, these wage earners constitute a class because they share the same economic position and fate. Although Weber agreed with Marx on the importance of this economic dimension of stratification, he argued that the actions of individuals and groups could not be understood *solely* in economic terms.



How does it feel to sit in the chairperson's seat? A more important question, however, is *who* gets to sit in this seat?

Weber used the term **status group** to refer to people who rank the same in prestige or lifestyle. An individual gains status through membership in a desirable group, such as the medical profession. But status is not the same as economic class standing. In our culture, a successful pickpocket may be in the same income class as a university professor. Yet the thief is widely regarded as a member of a low-status group, whereas the professor holds high status.

For Weber, the third major component of stratification reflects a political dimension. **Power** is the ability to exercise our will over others. In Canada, power stems from membership in particularly influential groups, such as corporate boards of directors, government bodies, and interest groups. Conflict theorists generally agree that two major sources of power—big business and government—are closely interrelated (see Chapter 13).

In Weber's view, then, each of us has not one rank in society but three. Our position in a stratification system

reflects some combination of class, status, and power. Each factor influences the other two, and in fact the rankings on these three dimensions often tend to coincide. Pierre Trudeau came from a wealthy family, attended exclusive schools, graduated from elite universities, such as Harvard and Sorbonne, and went on to become prime minister of Canada. Like Trudeau, many people from affluent backgrounds achieve impressive status and power.

At the same time, these dimensions of stratification may operate somewhat independently in determining a person's position. Jean Chrétien had a small legal practice in Shawinigan, Quebec, but he used a political power base to work his way up into federal politics to eventually become prime minister. A widely published poet may achieve high status while earning a relatively modest income. Successful professional athletes have little power but enjoy a relatively high position in terms of class and status. To understand the workings of a culture more fully, sociologists must carefully evaluate the ways in which it distributes its most valued rewards, including wealth and income, status, and power (Duberman 1976; Gerth and Mills 1958).

One way for the powerful to maintain the status quo is to define and disseminate the society's dominant ideology. The term dominant ideology describes a set of cultural beliefs and practices that helps to maintain powerful social, economic, and political interests. For Karl Marx, the dominant ideology in a capitalist society serves the interests of the ruling class. From a conflict perspective, the social significance of the dominant ideology is that not only do a society's most powerful groups and institutions control wealth and property, but, even more important, they also control the means of producing beliefs about reality through religion, education, and the media (Abercrombie, Hill, and Turner 1980, 1990; Robertson 1988).

The powerful, such as leaders of government, also use limited social reforms to buy off the oppressed and reduce the danger of challenges to their dominance. For example, minimum wage laws and unemployment compensation unquestionably give some valuable assistance to needy men and women. Yet these reforms also serve to pacify those who might otherwise rebel. Of course, in the view of conflict theorists, such manoeuvres can never entirely eliminate conflict, since workers will continue to demand equality, and the powerful will not give up their control of society.

Conflict theorists see stratification as a major source of societal tension and conflict. They do not agree with Davis and Moore (1945) that stratification is functional for a society or that it serves as a source of stability. Rather, conflict sociologists argue that stratification will

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inevitably lead to instability and to social change (R. Collins 1975; Coser 1977).

Feminist Views

As described earlier, feminist sociological perspectives comprise a diverse group of viewpoints. A central belief, however, unites the various feminist perspectives: gender inequality is pervasive and women are the subordinated and dominated sex. Feminist thinkers, however, differ greatly in their views on the root causes of gender inequality; on how gender inequality manifests itself in homes, workplaces, and political arenas; and on how to address this inequality. Radical feminists, for example, place great emphasis on patriarchy—as a form of social organization and ideology. In 1971 radical feminist Kate Millet (1971:25) wrote:

Our society . . . is a patriarchy. The fact is evident at once if one recalls that the military, industry, technology, universities, science, political offices, finances—in short, every avenue of power within our society, including the coercive force of the police, is entirely in male hands.

In effect, radical feminists maintain that gender stratification is systemic, permeating society and creating a culture in which male values and priorities prevail. Since women are excluded from this culture, they stand to be controlled and oppressed by it.

Liberal feminists, in contrast, recognize the inequality that women face but believe that it could be addressed by providing women with greater access to the public sphere and by making that sphere (i.e., workplaces) more “female friendly.”

Liberal feminists, then, believe less in a systemic pattern of gender inequality and more in the necessity of approaches that would provide women with greater access to employment opportunities, upward mobility, and, eventually, economic equality.

Interactionist View

Although functionalist, conflict, and some feminist perspectives tend to use a macrosociological approach to examine social inequality, interactionist thinkers tend to be more micro in their orientation. They are interested in the “person-to-person” (Naiman 2004:19) ways in which social stratification is maintained, perhaps in the forms of interpersonal and nonverbal communication. Erving Goffman (1967) theorized on the activity of *deference*, a symbolic act that conveys appreciation from one person to another. The pattern of showing deference, in which one person is the giver and the other is the recipient, often is symbolic of the unequal power

relations between the two and, thus, serves to maintain and perpetuate social inequality. For example, would an employee be more likely than an employer to open a door for the other? to call the other “Ms.” or “Mr.” rather than by a first name? to let the other lead in the conversation and not be prone to interrupt? Judith Rollins’s study (1985) of the person-to-person interactions between domestic workers and their employers, based on interviews and participant observation, showed the patterns of deference displayed between white female employers and primarily women who were members of a visible minority.

Rollins found that touching (or the absence thereof), calling the domestic workers “girls” regardless of their age, and keeping certain spatial distances were all rituals of deference that served to maintain the social class inequality between the two women.

Lenski’s Viewpoint

Let’s return to a question posed earlier—Is stratification universal?—and consider the sociological response. Some form of differentiation is found in every culture, from the most primitive to the most advanced industrial societies of our time. Sociologist Gerhard Lenski, in his sociocultural evolution approach, described how economic systems change as their level of technology becomes more complex, beginning with hunting and gathering and culminating eventually with industrial society. In subsistence-based, hunting-and-gathering societies, people focus on survival. Although some inequality and differentiation are evident, a stratification system based on social class does not emerge because there is no real wealth to be claimed.

As a society advances in technology, it becomes capable of producing a considerable surplus of goods. The emergence of surplus resources greatly expands the possibilities for inequality in status, influence, and power and allows a well-defined, rigid social class system to develop. To minimize strikes, slowdowns, and industrial sabotage, the elites may share a portion of the economic surplus with the lower classes, but not enough to reduce their own power and privilege.

As Lenski argued, the allocation of surplus goods and services controlled by those with wealth, status, and power reinforces the social inequality that accompanies stratification systems. Although this reward system may once have served the overall purposes of society, as functionalists contend, the same cannot be said for the large disparities separating the haves from the have-nots in current societies. In contemporary industrial society, the degree of social and economic inequality far exceeds what is needed to provide for goods and services (Lenski 1966; Nolan and Lenski 1999).

STRATIFICATION BY SOCIAL CLASS

Measuring Social Class

We continually assess how wealthy people are by looking at the cars they drive, the houses they live in, the clothes they wear, and so on. Yet it is not so easy to locate an individual within our social hierarchies as it would be in slavery or caste systems of stratification. To determine someone's class position, sociologists generally rely on the objective method.

Objective Method

The *objective method* of measuring social class views class largely as a statistical category. Researchers assign individuals to social classes on the basis of criteria such as occupation, education, income, and residence. The key to the objective method is that the *researcher*, rather than the person being classified, identifies an individual's class position.

The first step in using this method is to decide what indicators or causal factors will be measured objectively, whether wealth, income, education, or occupation. The prestige ranking of occupations has proved to be a useful indicator of a person's class position. For one thing, it is much easier to determine accurately than income or wealth. The term *prestige* refers to the respect and admiration that an occupation holds in a society. "My daughter, the physicist" connotes something very different from "my daughter, the waitress." Prestige is independent of the particular individual who occupies a job, a characteristic that distinguishes it from esteem. *Esteem* refers to the reputation that a specific person has earned within an occupation. Therefore, one can say that the position of prime minister of Canada has high prestige, even though it has been occupied by people with varying degrees of esteem. A hairdresser may have the esteem of his clients, but he lacks the prestige of a corporation president.

Table 8-1 ranks the prestige of a number of well-known occupa-

tions. In a series of national surveys, sociologists assigned prestige rankings to about 500 occupations, ranging from physician to newspaper vendor. The highest possible prestige score was 100, and the lowest was 0. Physician, lawyer, dentist, and professor were the most highly regarded occupations. Sociologists have used such data to assign prestige rankings to virtually all jobs and have found a stability in rankings from 1925 to 1991. Similar studies in other countries have also developed useful prestige rankings of occupations (Hodge and Rossi 1964; Lin and Xie 1988; Treiman 1977).

Gender and Occupational Prestige

For many years, studies of social class tended to neglect the occupations and incomes of *women* as determinants

Table 8-1 **Prestige Rankings of Occupations**

Occupation	Score	Occupation	Score
Physician	86	Secretary	46
Lawyer	75	Insurance agent	45
Dentist	74	Bank teller	43
Professor	74	Nurse's aide	42
Architect	73	Farmer	40
Clergy	69	Correctional officer	40
Pharmacist	68	Receptionist	39
Registered nurse	66	Barber	36
High school teacher	66	Child care worker	35
Accountant	65	Hotel clerk	32
Airline pilot	60	Bus driver	32
Police officer and detective	60	Truck driver	30
Preschool teacher	55	Retail clerk (shoes)	28
Librarian	54	Garbage collector	28
Firefighter	53	Waiter and waitress	28
Social worker	52	Bartender	25
Electrician	51	Farm worker	23
Funeral director	49	Janitor	22
Mail carrier	47	Newspaper vendor	19

Sources: J. Davis and Smith 2001; Nakao and Treas 1990, 1994; National Opinion Research Center 1994.

of social rank. In an exhaustive study of 589 occupations, sociologists Mary Powers and Joan Holmberg (1978) examined the impact of women's participation in the paid labour force on occupational status. Since women tend to dominate the relatively low-paying occupations, such as bookkeepers and child care workers, their participation in the workforce leads to a general upgrading of the status of most male-dominated occupations. More recent research conducted in both the United States and Europe has assessed the occupations of husbands *and* wives in determining the class positions of families (Sørensen 1994). With more than half of all married women now working outside the home (see Chapter 10), this approach seems long overdue, but it also raises some questions. For example, how is class or status to be judged in dual-career families—by the occupation regarded as having greater prestige, the average, or some other combination of the two occupations?

Sociologists—and, in particular, feminist sociologists in Great Britain—are drawing on new approaches in assessing women's social class standing. One approach is to focus on the individual (rather than the family or household) as the basis of categorizing a woman's class position. Thus, a woman would be classified based on her own occupational status rather than that of her spouse (O'Donnell 1992).

Another feminist effort to measure the contribution of women to the economy reflects a more clearly political agenda. International Women Count Network, a global grassroots feminist organization, has sought to give a monetary value to women's unpaid work. Besides providing symbolic recognition of women's role in labour, this value would also be used to calculate pension programs and benefits that are based on wages received. In 1995 the United Nations placed an \$11 trillion price tag on unpaid labour by women, largely in child care, housework, and agriculture. Whatever the figure today, the continued undercounting of many workers' contribution to a family and to an entire economy means virtually all measures of stratification are in need of reform (United Nations Development Programme 1995; Wages for Housework Campaign 1999).

Multiple Measures

Another complication in measuring social class is that advances in statistical methods and computer technology have multiplied the factors used to define class under the objective method. No longer are sociologists limited to annual income and education in evaluating a person's class position. Today, studies use as criteria the value of homes, sources of income, assets, years in present occupations, neighbourhoods, and considerations regarding dual careers. Adding these variables will not necessarily paint a different picture of class differentiation in

Canada, but it does allow sociologists to measure class in a more complex and multidimensional way.

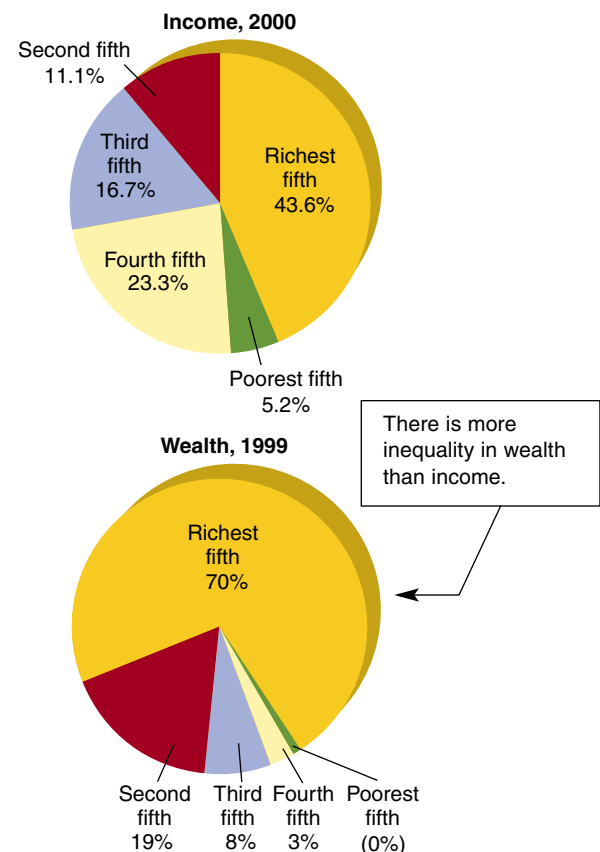
Whatever the technique used to measure class, the sociologist is interested in real and often dramatic differences in power, privilege, and opportunity in a society. The study of stratification is a study of inequality. Nowhere is this more evident than in the distribution of wealth and income (see Figure 8-3).

Wealth and Income

Wealth in Canada is much more unevenly distributed than is income. As Figure 8-3 shows, in 1999, the richest fifth of the population held 70 percent of the nation's wealth. Researchers have also found dramatic disparities in wealth between families headed by a single parent (particularly a mother) and those headed by two parents, between those headed by Aboriginal parents and by non-Aboriginal parents, and between those headed by parents

FIGURE 8-3

Comparison of Distribution of Family Income and Wealth in Canada



Sources: Statistics Canada 2004d; Statistics Canada 2003c.

Note: Data do not add to 100 percent due to rounding.

who have a mental or physical disability and by those who do not (Wolff 2002).

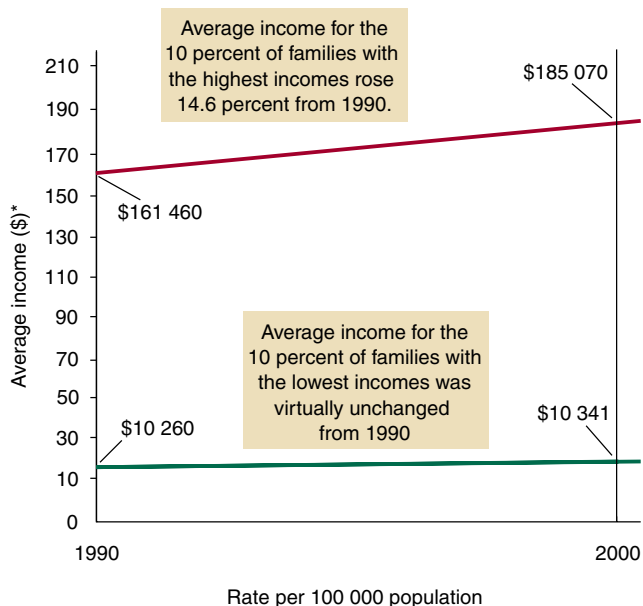
By all measures, income in Canada is distributed unevenly. Nobel Prize-winning economist Paul Samuelson has described the situation in the following words: “If we made an income pyramid out of building blocks, with each layer portraying \$500 of income, the peak would be far higher than Mount Everest, but most people would be within a few feet of the ground” (Samuelson and Nordhaus 2001:386).

Recent data support Samuelson’s analogy. In 2000, members of the richest tenth (or top 10 percent) of Canada’s population earned \$185 070 on average, accounting for 28 percent of the nation’s total income. In contrast, members of the bottom tenth of the nation’s population earned just \$10 341, on average, accounting for less than 2 percent of the nation’s total income (see Figure 8-4).

Survey data show that more than 50 percent of Canadians (as opposed to 38 percent of Americans)

FIGURE 8-4

The Growing Income Gap in Canada, 1990–2000



Source: Statistics Canada 2004d.

*Note: Average income is in thousands of dollars, adjusted for inflation and expressed in constant 2000 dollars.

Think about It

In addition to generous raises and favourable government policies, what else might have accounted for the sharp rise in income for the richest 10 percent of Canadians?

believe that government should take steps to reduce the income disparity between the rich and the poor. By contrast, 80 percent of people in Italy, 66 percent in Germany, and 65 percent in Great Britain support governmental efforts to reduce income inequality. It is not surprising, then, that many European countries, particularly in Scandinavia, provide more extensive “safety nets” to assist and protect the disadvantaged. By contrast, the strong cultural value placed on individualism in the United States leads to greater possibilities for both economic success and failure (Lipset 1996).

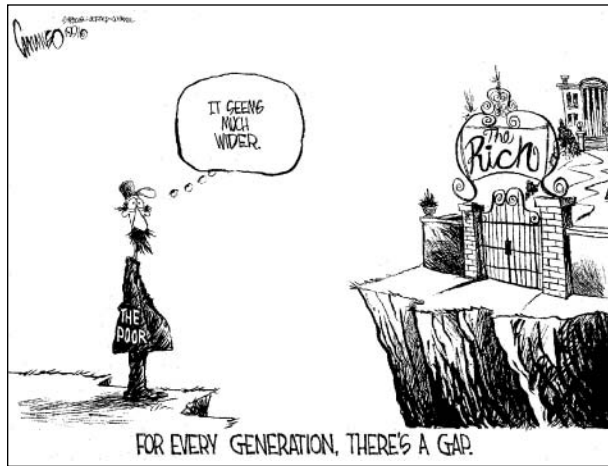
Poverty

Approximately one out of every six children in this country lives below the low-income cutoff established by the federal government. The 2004 Report Card on Child and Family Poverty in Canada (Campaign 2000 2004) reported that 1 065 000 children are living in low-income households and that one-third of all Canadian children have experienced poverty for at least one year since 1996. The economic boom of the 1990s passed these people by. Despite the Government of Canada’s goal of eradicating child poverty by 2000, a UNICEF report showed that, in 2005, 15 percent of Canadian children lived below the low-income cutoff. The same report indicated that Canada’s ranking among other countries, in respect to child poverty, had not changed from 2000 (UNICEF 2005). In this section, we’ll consider just how we define “poverty” and who is included in that category (Bauman 1999; Proctor and Dalaker 2002).

Studying Poverty

The efforts of sociologists and other social scientists to better understand poverty are complicated by the difficulty of defining it. This problem is evident even in government programs that conceive of poverty in either absolute or relative terms. **Absolute poverty** refers to a minimum level of subsistence that no family should be expected to live below. Policies concerning minimum wages, labour market barriers for excluded groups, housing standards, or school lunch programs for the poor imply a need to bring citizens up to some predetermined level of existence.

Although Canada does not have an official poverty line, it does have what is called a LICO (low-income cutoff), which is calculated for families of different sizes, and for individuals, living in different communities of varying size, from rural to urban. If a family spends more than 20 percent more than the average family does on the essentials (e.g., clothing, food, shelter), it falls below the LICO. Figure 8-5 shows poverty rates in Canada and in other countries. Canada’s poverty rate, although higher than those in Norway, Finland, and Sweden, is significantly lower than that of the United States.



If anything, this cross-national comparison understates the extent of poverty in the United States, since U.S. residents are likely to pay more for housing, health care, child care, and education than residents of other countries, where such expenses are often subsidized.

By contrast, *relative poverty* is a floating standard of deprivation by which people at the bottom of a society,

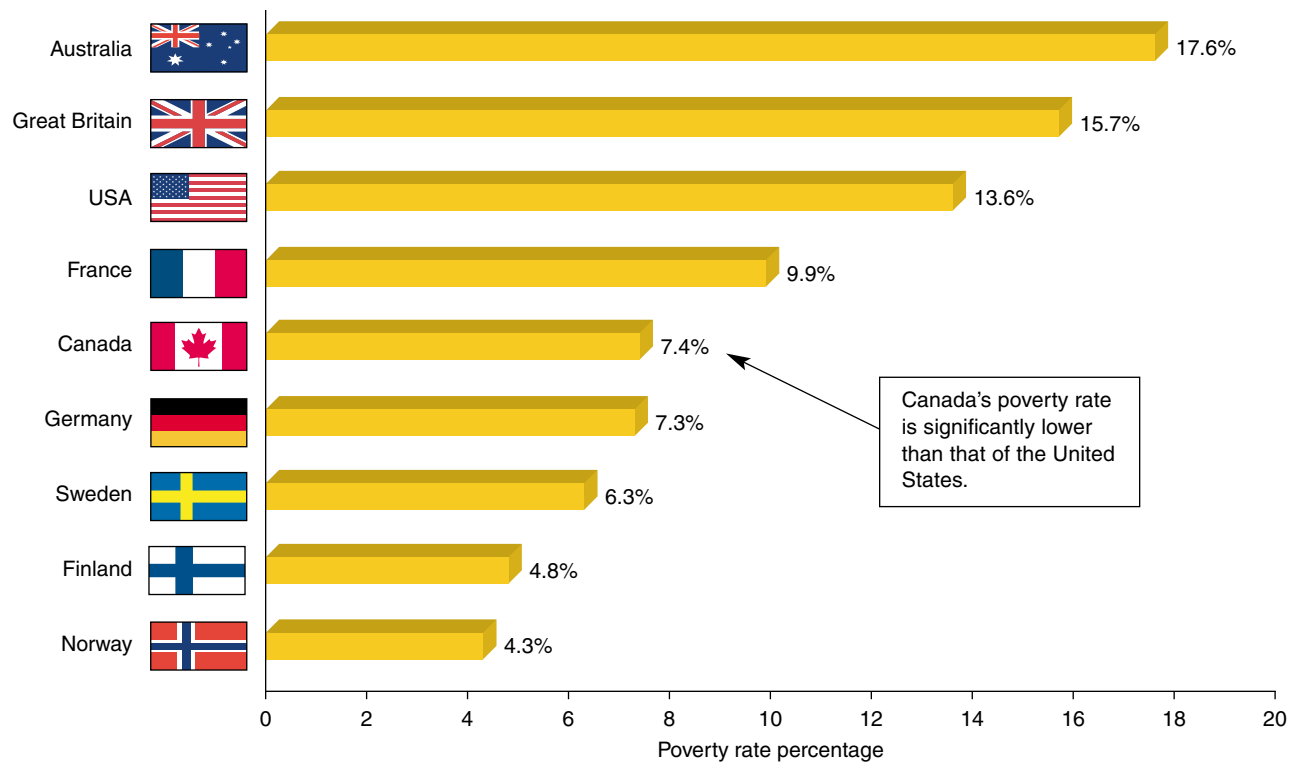
whatever their lifestyles, are judged to be disadvantaged *in comparison with the nation as a whole*. Therefore, even if the poor of the 2000s are better off in absolute terms than the poor of the 1930s or 1960s, they are still seen as deserving special assistance.

Campaign 2000 is an organization made up of more than 90 national, provincial or territorial, and community groups focused on the goal of eliminating child and family poverty in Canada. In its 2004 report (Campaign 2000 2004), it stated that, despite continued economic growth and rising employment, child and family poverty remain a “social deficit” in Canada. The organization made the following recommendations to help alleviate poverty in Canada:

- Establish a multiyear social investment plan, which would include a maximum child benefit of \$4900 a year.
- Establish a high-quality, universally accessible, publicly funded system of early learning and child care.
- Expand affordable housing programs.
- Create more good jobs that provide living wages.
- Renew the social safety net.

FIGURE 8-5

Absolute Poverty in Selected Industrial Countries



Source: Smeeding et al. 2001:51.

Who Are the Poor?

Not only does the category of the poor defy any simple definition, but it also counters the common stereotypes about “poor people” that Barbara Ehrenreich addressed in her book *Nickel and Dimed* (2001). For example, many people in Canada believe that the vast majority of the poor are able to work but will not. Yet many poor adults do work outside the home. Sociological researchers call this group the *working poor*. A working poor individual is one who works a minimum number of hours a year and whose family income falls below the LICO (low-income cutoff). In 2001 in Canada, 460 000 individuals were in this category. The working poor accounted for 33 percent of all poor, unattached individuals and 45 percent of all poor families in 2001 (Fortin and Fleury 2004).

A sizable number of the poor live in urban areas, however. Poverty is no stranger in rural areas, ranging from Saskatchewan’s hard-hit farming regions to fishing communities in Newfoundland and Labrador. Table 8-2 provides additional statistical information regarding these low-income people in Canada.



Poverty hits women particularly hard throughout the world, a situation known as the “feminization of poverty.” Shown here are women and children in India.

An increasing proportion of the low-income people in Canada are women, many of whom are single parents. Approximately 46 percent of Canadians with low incomes in 2000 were in lone-parent families that had at least one child under age 18; the vast majority of these families were headed by women. Canadian women’s

Table 8-2 Percentage of Individuals and Census Families Living in Low Income,¹ Canada, 2001

Individuals and Selected Family Types ²	Percentage in Low Income ¹ 2001
Individuals	16.2
Couple families with no children	8.2
Couple families with at least one child under 18 years	11.2
Couple families whose children are all 18 years and over	5.8
Lone-parent families with at least one child under 18 years	45.8
Lone-parent families whose children are all 18 years and over	16.5

Source: Adapted by the author, Statistics Canada 2003c.

1. Those living below the low-income cutoffs.

2. Families living in single-family households with no additional persons (e.g., grandparents, uncles, aunts); all individuals except those living in Yukon, Northwest Territories, Nunavut, or on reserves, or in institutions.

wages remain unequal to those of Canadian men, and many women in Canadian workplaces still hold jobs in female-dominated job ghettos. This alarming reality, known as the *feminization of poverty*, is evident not just in Canada but also around the world.

A major factor in the feminization of poverty has been the increase in the number of families with women as single heads of the household (see Chapter 11). In 2001, 11.7 percent of all people in the United States lived in poverty, compared to 26.4 percent of households headed by single mothers. Some feminist thinkers trace the higher rates of poverty among women to such factors as the difficulty in finding affordable child care, sexual harassment, and sex discrimination in the labour market, while others attribute it to more deep-rooted systemic factors (see Chapter 10).

Sociologist William Julius Wilson (1980, 1987, 1989, 1996) and other social scientists have used the term *underclass* to describe the long-term poor who lack training and skills. In Canada, this class is often associated with such factors as race, ethnicity, age, disability, geographic region, and age. For example, persistently and disproportionately represented in the so-called underclass of Canadian society are those of Aboriginal heritage. The social condition of Canada's Aboriginal people will be explored in greater detail in Chapter 9.

Conflict theorists, among others, have expressed alarm at the portion of Canada's population living on this lower rung of the stratification hierarchy and at society's reluctance to address the lack of economic opportunities for these people. Often, portraits of the underclass seem to "blame the victims" for their own plight while ignoring other factors that push people into poverty.

Analyses of the poor in general reveal that they are not a static social class. The overall composition of the poor changes continually, because some individuals and families near the top edge of poverty move above the poverty level after a year or two while others slip below it. Still, hundreds of thousands of people remain in poverty for many years at a time.

Explaining Poverty

Why is it that pervasive poverty continues within a nation of such vast wealth? Sociologist Herbert Gans (1995) has applied functionalist analysis to the existence of poverty and argues that various segments of society actually *benefit* from the existence of the poor. Gans has identified a number of social, economic, and political functions that the poor perform for society:

- The presence of poor people means that society's dirty work—physically dirty or dangerous, dead-end and underpaid, undignified and menial jobs—will be performed at low cost.

- Poverty creates jobs for occupations and professions that service the poor. It creates both legal employment (public health experts, welfare caseworkers) and illegal jobs (drug dealers, numbers runners).
- The identification and punishment of the poor as deviants upholds the legitimacy of conventional social norms and mainstream values regarding hard work, thrift, and honesty.
- Within a relatively hierarchical society, the existence of poor people guarantees the higher status of the more affluent. As psychologist William Ryan (1976) has noted, affluent people may justify inequality (and gain a measure of satisfaction) by "blaming the victims" of poverty for their disadvantaged condition.
- Because of their lack of political power, the poor often absorb the costs of social change. Under the policy of deinstitutionalization, people with mental illnesses released from long-term hospitals have been "dumped" primarily into low-income communities and neighbourhoods. Similarly, halfway houses for rehabilitated drug abusers are often rejected by more affluent communities and end up in poorer neighbourhoods.

In Gans's view, then, poverty and the poor actually satisfy positive functions for many nonpoor groups in society.

Life Chances

Max Weber saw class as closely related to people's *life chances*—that is, their opportunities to provide themselves with material goods, positive living conditions, and favourable life experiences (Gerth and Mills 1958). Life chances are reflected in such measures as housing, education, and health. Occupying a higher position in a society improves your life chances and brings greater access to social rewards. By contrast, people in the lower social classes are forced to devote a larger proportion of their limited resources to the necessities of life.

In times of danger, the affluent and powerful have a better chance of surviving than people of ordinary means. When the supposedly unsinkable British oceanliner *Titanic* hit an iceberg in 1912, it was not carrying enough lifeboats to accommodate all its passengers. Plans had been made to evacuate only first- and second-class passengers. About 62 percent of the first-class passengers survived the disaster. Despite a rule that women and children would go first, about a third of those passengers were male. In contrast, only 25 percent of the passengers in third class survived. The first attempt to alert them to the need to abandon ship came at least 45 minutes after other passengers had been notified (D. Butler 1998; Crouse 1999; Riding 1998).

Class position also affects health in important ways. In fact, class is increasingly being viewed as an important predictor of health. The affluent avail themselves of



In the movie *Titanic*, the romantic fantasy of a love affair that crossed class lines obscured the real and deadly effects of the social class divide.

improved health services while such advances bypass poor people. The chances of a child's dying during the first year of life are much higher in poor families than among the middle class. This higher infant mortality rate results in part from the inadequate nutrition received by low-income expectant mothers. Even when they survive infancy, the poor are more likely than the affluent to suffer from serious, chronic illnesses, such as arthritis, bronchitis, diabetes, and heart disease.

All these factors contribute to differences in the death rates of the poor and the affluent. Studies drawing on health data in Canada document the impact of class (as well as race) on mortality. Ill health among the poor only serves to increase the likelihood that the poor will remain impoverished (Link and Phelan 1995).

Like disease, crime can be particularly devastating when it attacks the poor. People in low-income families were more likely to be assaulted, raped, or robbed than were the most affluent people. Furthermore, if accused of a crime, a person with low income and status is likely to be represented by an overworked publicly funded lawyer.

Whether innocent or guilty, the accused may sit in jail for months, unable to raise bail (Rennison 2002).

Some people have hoped that the Internet revolution would help level the playing field by making information and markets uniformly available. Unfortunately, however, not everyone is able to get onto the “information highway,” and so yet another aspect of social inequality has emerged—the *digital divide*. People who are poor, who have less education, who are members of minority groups, or who live in rural communities are not getting connected at home or at work. For example, in 2003, 64 percent of all households had access to the Internet. However, about 88 percent of households whose head had a university degree had access to the Internet, while only 32 percent of those families whose head had less than a high school education did. As more-educated people continue to buy high-speed Internet connections, they will be able to take advantage of even more sophisticated interactive services and the digital divide will grow larger (Statistics Canada 2004e).

Wealth, status, and power may not ensure happiness, but they certainly provide additional ways of coping with problems and disappointments. For this reason, the opportunity for advancement—for social mobility—is of special significance to those who are at the bottom of society looking up. These people want the rewards and privileges that are granted to high-ranking members of a culture.

Use Your Sociological Imagination

Imagine a society in which there are no social classes—no differences in people's wealth, income, and life chances. What would such a society be like? Would it be stable, or would its social structure change over time?

SOCIAL MOBILITY

Jimmy Pattison, a self-made billionaire and international businessman, grew up in impoverished circumstances in Luseland, Saskatchewan. He began his business career by selling used cars. Today, he is one of the wealthiest individuals in Canada and sole owner of one of the largest companies in Canada. The rise of a child from a poor background to a position of great prestige, power, and financial reward is an example of social mobility. The term *social mobility* refers to movement of individuals or groups from one position of a society's stratification system to another. But how significant—how frequent, how dramatic—is mobility in such a class society as Canada?

Open versus Closed Stratification Systems

Sociologists use the terms *open stratification system* and *closed stratification system* to indicate the amount of social mobility in a society. An **open system** implies that the position of each individual is influenced by the person's *achieved* status. At the other extreme of social mobility is the **closed system**, which allows little or no possibility of moving up. The slavery and caste systems of stratification are examples of closed systems. In such societies, social placement is based on *ascribed* statuses, such as race or family background, which cannot be changed.

Types of Social Mobility

An airline pilot who becomes a police officer moves from one social position to another of the same rank. Each occupation has the same prestige ranking: 60 on a scale ranging from a low of 0 to a high of 100 (see Table 8-1 on page 172). Sociologists call this kind of movement **horizontal mobility**. However, if the pilot were to become a lawyer (prestige ranking of 75), he or she would experience **vertical mobility**, the movement from one social position to another of a different rank. Vertical mobility can also involve moving *downward* in a society's stratification system, as would be the case if the airline pilot became a bank teller (ranking of 43). Pitirim Sorokin ([1927] 1959) was the first sociologist to distinguish between horizontal and vertical mobility. Most sociological analysis, however, focuses on vertical rather than horizontal mobility.

One way of examining vertical social mobility is to contrast intergenerational and intragenerational mobility. **Intergenerational mobility** involves changes in the social position of children relative to their parents. Thus, a plumber whose father was a physician provides an example of downward intergenerational mobility. A film star whose parents were both factory workers illustrates upward intergenerational mobility.

Intragenerational mobility involves changes in social position within a person's adult life. A woman who enters the paid labour force as a teacher's aide and eventually becomes superintendent of the school district experiences upward intragenerational mobility. A man who becomes a taxicab driver after his accounting firm goes bankrupt undergoes downward intragenerational mobility.

Social Mobility in Canada

The belief in upward mobility is an important value in our society. Does this mean that Canada is indeed the land of opportunity? Are rags to riches stories the exception

or are they the rule? Only if such ascriptive characteristics as race, gender, and family background have ceased to be significant in determining someone's future prospects. We can see the impact of these factors in the occupational structure.

Occupational Mobility

"You are three times more likely as a young man to move from rags to rags than rags to riches. And moving from riches to riches is the most likely of all." These are the words of the authors of a major Canadian study on the occupational mobility of 400 000 men between the ages of 16 and 19 (Corak and Heisz 1996). The authors concluded that although there is limited upward mobility in the middle ranges of the Canadian occupational hierarchy, the richest and poorest individuals tend to reproduce the income level of their fathers. This study is consistent with studies of intragenerational mobility in Canada, which found that the majority of Canadians experienced no occupational mobility in their working lives (Creese, Guppy, and Meissner 1991). In Canada, achievement is not simply based on hard work and merit; ascribed characteristics, such as race, gender, and ethnicity, are significant in their influence on a person's chances for both intergenerational and intragenerational occupational mobility.

The Impact of Education

Education plays a critical role in social mobility. The impact of advanced education on adult status is clearly evident in Canada, as documented in statistics showing the relationship between the highest level of educational achievement and income and wealth in adulthood. Generally, the higher a person's level of educational achievement, the higher his or her level of income and wealth (expressed as net worth). For example, according to the 2001 census, people with master's degrees in commerce made, on average, \$88 396 per year, while those holding bachelor's degrees made, on average, \$63 117 per year. The same pattern exists in the field of education: those with master's degrees had an average income of \$50 379, while those with bachelor's degrees had an average income of \$40 408. For other fields, such as history and agricultural science, the differences in earnings between those holding master's degrees and those holding bachelor's degrees were insignificant (*Vancouver Sun* 2004a).

Although educational achievement is linked to social mobility, the stark reality is that the chance of achieving an education continues to be associated with family background. In 1999, 34 percent of students from the lowest socioeconomic quartile did not complete high school, compared with 23 percent of students from the highest quartile; 20 percent of students from the lowest

quartile attended university, compared with 40 percent of those from the highest quartile (Canadian Education Statistics Council 2000). With the increased costs of tuition and other expenses associated with a postsecondary education, students who attend university are increasingly likely to have parents from the higher socioeconomic groups.

The Impact of Race

The variables of race, class, and gender are intertwined in such a way as to produce diverse chances for both intergenerational mobility and intragenerational mobility. Earnings data of recent immigrants to Canada show that after one year, a male immigrant earned 63.1 percent of what his Canadian-born counterpart earned. After 10 years, that figure increased to 79.8 percent (Statistics Canada



Rita Tsang, president and CEO of Tour East Holidays (Canada) Inc., is one of the few women in Canada who have risen to the top of the corporate hierarchy. Despite the implementation of employment equity policies, occupational barriers still limit women's social mobility.

2003d). A female immigrant earned 60.5 percent after one year and 87.3 percent after 10 years of what her Canadian-born counterpart earned. Canadian women who are members of visible minorities earn less than other Canadian women. They also earn less than men, whether the men are members of visible minorities or not. The glaring absence of members of visible minorities from corporate boardrooms, political office, and other positions of power and influence reflects a systemic pattern of inequality. As Joseph Mensah (2002:129) states in his book on black people in Canada, "the unabashed racial discrimination in the job market impacts Blacks more than any other form of bigotry."

The Impact of Gender

Studies of mobility, even more than those of class, have traditionally ignored the significance of gender, but some research findings are now available that explore the relationship between gender and mobility.

Women's employment opportunities are much more limited than men's (as Chapter 10 will show). Moreover, according to recent research, women whose skills far exceed the jobs offered them are more likely than men to withdraw entirely from the paid labour force. This withdrawal violates an assumption common to traditional mobility studies: that most people will aspire to upward mobility and seek to make the most of their opportunities.

In contrast to men, women's jobs are heavily concentrated in the sales and service areas. But the modest salary ranges and few prospects for advancement in many of these positions limit the possibility of upward mobility. Self-employment as shopkeepers, entrepreneurs, independent professionals, and the like—an important road to upward mobility for men—is difficult for women, who find it harder to secure the necessary financing. Although sons often follow in the footsteps of their fathers, women are less likely to move into their fathers' positions. Consequently, gender remains an important factor in shaping social mobility within Canada. Women in Canada (and in other parts of the world) are especially likely to be trapped in poverty and unable to rise out of their low-income status (Heilman 2001).

So far we have focused on stratification and social mobility within Canada. In the next part of the chapter, we broaden our focus to consider stratification from a global perspective.

STRATIFICATION IN THE WORLD SYSTEM

Kwabena Afari is a pineapple exporter in Ghana. But for years his customers had to show a great deal of ingenuity

to get in touch with him. First a call had to be placed to Accra, the capital city. Someone there would call the post office in Afari's hometown. Then the post office would send a messenger to his home. Afari has recently solved his problem by getting a cellular phone, but his long-time dilemma symbolizes the problems of the roughly 600 million people who live in sub-Saharan Africa and are being left behind by the trade and foreign investment transforming the global economy. One African entrepreneur notes, "It's not that we have been left behind. It's that we haven't even started" (Buckley 1997:8).

It is true that technology, the information highway, and innovations in telecommunications have all made the world a smaller and more unified place. Yet although the world marketplace is gradually shrinking in space and tastes, business profits are not being shared equally. There remains a substantial disparity between the world's "have" and "have-not" nations. For example, in 2002, the average value of goods and services produced per citizen (per capita gross national income) in the industrialized countries of the United States, Japan, Switzerland, Belgium, and Norway was more than \$27 000. In seven poorer countries, the value was below \$700. In fact, the richest 1 percent of the world's population received as much income as the poorest 57 percent. Figure 8-6 illustrates these stark contrasts. Three forces discussed below are particularly responsible for the domination of the world marketplace by a few nations: the legacy of colonialism, the advent of multinational corporations, and modernization (Haub 2002; United Nations Development Programme 2001).

The Legacy of Colonialism

Colonialism occurs when a foreign power maintains political, social, economic, and cultural domination over a people for an extended time. In simple terms, it is rule by outsiders. The long reign of the British Empire over much of North America, parts of Africa, and India is an example of colonial domination. The same can be said of French rule over Algeria, Tunisia, and other parts of North Africa. Relations between the colonial nation and colonized people are similar to those between the dominant capitalist class and the proletariat as described by Karl Marx.

By the 1980s, colonialism had largely disappeared. Most of the world's nations that were colonies before World War I had achieved political independence and established their own governments. However, for many of these countries, the transition to genuine self-rule was not yet complete. Colonial domination had established patterns of economic exploitation that continued even after nationhood was achieved—in part because former colonies were unable to develop their own industry and

technology. Their dependence on more industrialized nations, including their former colonial masters, for managerial and technical expertise, investment capital, and manufactured goods kept former colonies in a subservient position. Such continuing dependence and foreign domination constitute **neocolonialism**.

The economic and political consequences of colonialism and neocolonialism are readily apparent. Drawing on the conflict perspective, sociologist Immanuel Wallerstein (1974, 1979a, 2000) views the global economic system as divided between nations that control wealth and those from which resources are taken. Neocolonialism allows industrialized societies to accumulate even more capital.

Wallerstein has advanced a **world systems analysis** to describe the unequal economic and political relationships in which certain industrialized nations (among them Canada, the United States, Japan, and Germany) and their global corporations dominate the *core* of the system. At the *semiperiphery* of the system are countries with marginal economic status, such as Israel, Ireland, and South Korea. Wallerstein suggests that the poor developing countries of Asia, Africa, and Latin America are on the *periphery* of the world economic system. Core nations and their corporations control and exploit the developing nations' economies, much as the old colonial empires ruled their colonies (Chase-Dunn and Grimes 1995).

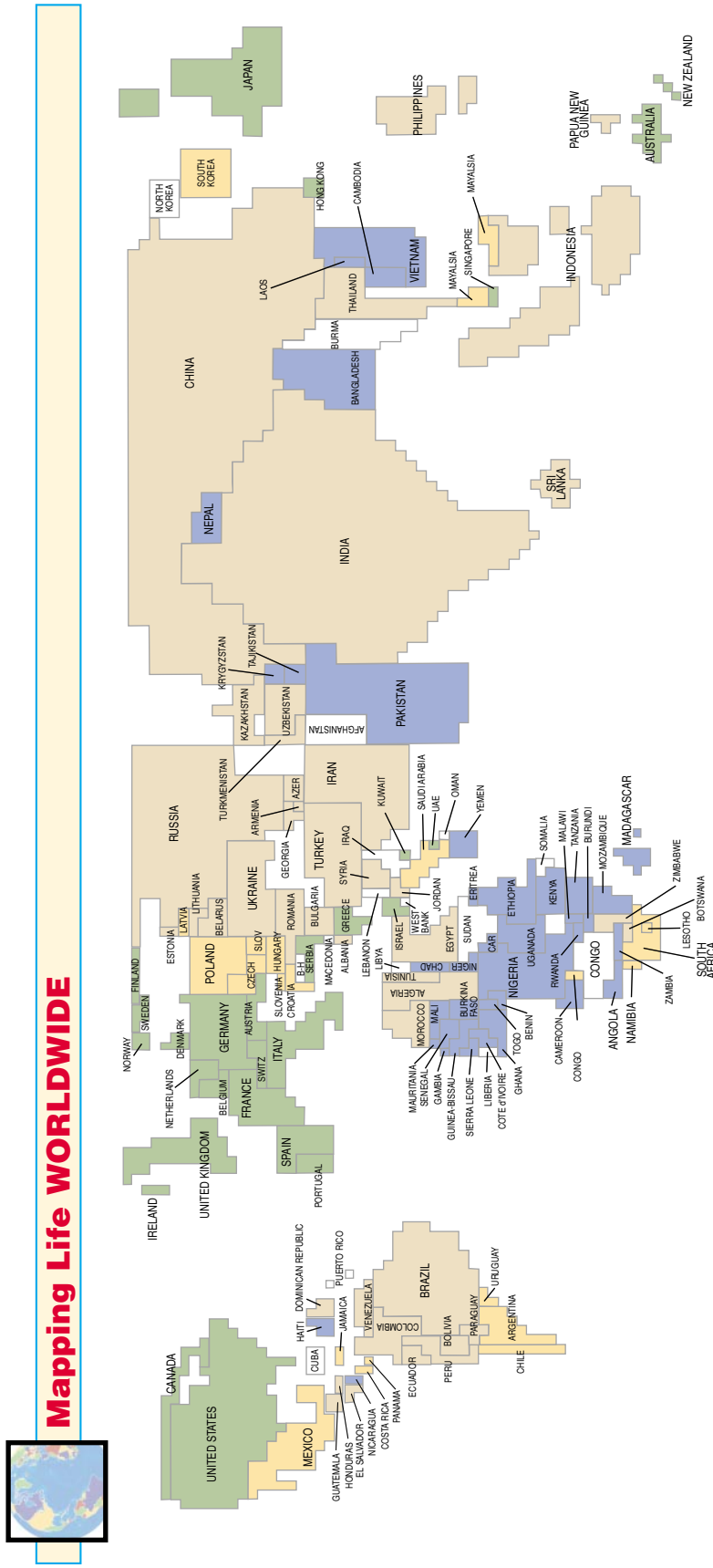
The division between core and periphery nations is significant and remarkably stable. A study by the International Monetary Fund (2000) found little change over the course of the *past one hundred years* for the 42 economies that were studied. The only changes were Japan's movement up into the group of core nations and China's movement down toward the margins of the semiperiphery nations. Yet Wallerstein (2000) speculates that the world system as we currently understand it may soon undergo unpredictable changes. The world is becoming increasingly urbanized, a trend that is gradually eliminating the large pools of low-cost workers in rural areas. In the future, core nations will have to find other ways to reduce their labour costs. The exhaustion of land and water resources through clear-cutting and other forms of pollution is also driving up the costs of production.

Wallerstein's world systems analysis is the most widely used version of **dependency theory**. According to this theory, even as developing countries make economic advances, they remain weak and subservient to core nations and corporations within an increasingly intertwined global economy. This allows industrialized nations to continue to exploit developing countries for their own gain. In a sense, dependency theory applies the conflict perspective on a global scale.

In the view of world systems analysis and dependency theory, a growing share of the human and natural

FIGURE 8-6

Gross National Income per Capita, 2001



Sources: Haub 2002; Weeks 2002:22–23.

Note: Size based on 2000 population estimates.

This stylized map reflects the different sizes in population of the world's nations. The colour for each country shows the 2001 estimated gross national income (the total value of goods and services produced by the nation in a given year) per capita. As the map shows, some of the world's most populous countries—such as Nigeria, Bangladesh, and Pakistan—are among the nations with the lowest standard of living, as measured by per capita GNI.

Rustica Banda is a midwife who delivers 10 to 13 babies a day at a community hospital near Lilongwe in Malawi, in sub-Saharan Africa. In 2004, sub-Saharan Africa had 25 million people living with human immunodeficiency virus/acquired immune deficiency syndrome (HIV/AIDS), more than half of whom were women. The percentage of women in the region living with HIV/AIDS is increasing, contributing to what has been called the “feminization of HIV/AIDS” (UNAIDS 2004). Because of a lack of state funding to local hospitals for wages and basic medical supplies, such as plastic gloves, Rustica Banda, and others like her, work for low wages in unsafe and dangerous conditions to care for patients, some of whom have HIV/AIDS. Banda attributes the poverty in her country to global economic interconnectedness, more specifically, to debts with other countries. Owing more than 1.5 times its annual income, Malawi is one of the most heavily indebted countries in the world. In 2003, the country spent more than twice its funding for health care in servicing its debt. In this context, Rustica Banda (*Guardian Unlimited* 2005) describes the conditions in her life:

I have five children to support, as well as five orphaned grandchildren.

There is a great staff shortage here in Mitunda. At any one time, there are only two nurses on duty. . . . The pregnant woman must buy her own things for labour; a plastic sheet to put on the bed to protect her from the blood of other patients. . . . I have to use my bare hands when collecting blood, even when I don’t know the HIV status of the patient. . . . The government says it does not have money for salaries or to buy enough equipment to run the hospital. It has too many debts with other countries. I call on the state of Malawi to consider its nurses and our salaries; we should not be running away from the government hospitals. I also ask the G8 to cancel Malawi’s debt.

Make Poverty History, an alliance of charities, religious organizations, trade unions, antipoverty groups, rock stars, and celebrities, mobilized to promote global awareness (e.g., Live 8) and to apply pressure on the G8 leaders (that is, leaders of the richest countries: Canada, the United States, Great Britain, Italy, Germany, France, Russia, and Japan) when they met in Scotland in 2005 for the G8 Summit. Make Poverty History called for governments and international decision

makers to change policies regarding three inextricably connected areas—trade, debt, and aid—as they relate to the dealings between the world’s richest and poorest countries. Falling short of some antipoverty and AIDS activist groups’ expectations (Clark 2005), the G8 leaders did, however, agree to the following:

- to increase aid by U.S.\$25 billion annually to Africa by 2010
- to provide universal access to AIDS treatment by 2010
- to establish efforts to save 600 000 lives lost to malaria by 2015
- to train 20 000 additional peacekeepers for an African union peace force
- to call for trade talks to eliminate agricultural subsidies, which would help African products find markets

Applying Theory

1. Have you ever been involved in a fundraising or awareness-raising campaign in your community or university to fight poverty in Africa?
2. Do you think that Canada is doing enough in its efforts to close the gap between the rich and the poor countries of the world?

Sources: Clark 2005; *Guardian Unlimited* 2005; UNAIDS 2004.

resources of developing countries is being redistributed to the core industrialized nations. In part, this is because developing countries owe huge sums of money to industrialized nations as a result of foreign aid, loans, and trade deficits. This global debt crisis has intensified the dependency begun under colonialism, neocolonialism, and multinational investment. International financial institutions are pressuring indebted countries to take severe measures to meet their interest payments. The result is that developing nations may be forced to devalue their currencies, freeze workers’ wages, increase privati-

zation of industry, and reduce government services and employment (see Box 8-2).

Closely related to these problems is **globalization**, or the worldwide integration of government policies, cultures, social movements, and financial markets through trade and the exchange of ideas. Because world financial markets transcend governance by conventional nation states, international organizations such as the World Bank and the International Monetary Fund have emerged as major players in the global economy. The function of these institutions, heavily funded and

influenced by core nations, is to encourage economic trade and development and to ensure the smooth operation of international financial markets. As such they are seen as promoters of globalization and defenders primarily of the interests of core nations. Critics call attention to a variety of issues, including violations of workers' rights, the destruction of the environment, the loss of cultural identity, and discrimination against minority groups in periphery nations.

Some observers see globalization and its effects as the natural result of advances in communications technology, particularly the Internet and satellite transmission of the mass media. Others view it more critically, as a process that allows multinational corporations to expand unchecked, as we will see in the next section (Chase-Dunn, Kawano, and Brewer 2000; Feketekuty 2001; Feuer 1959; Pearlstein 2001; Third World Institute 2001).

Use Your Sociological Imagination

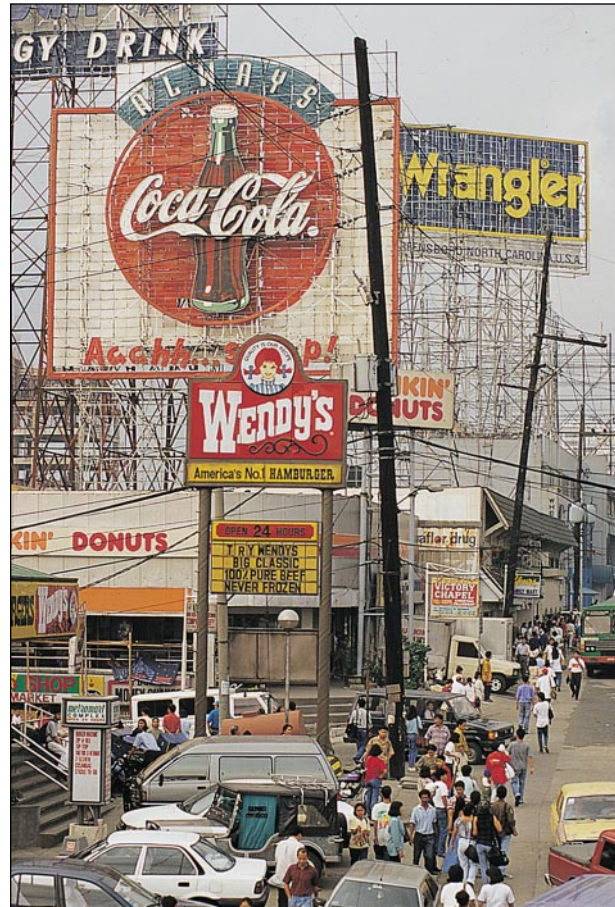
You are travelling through a developing country. What evidence do you see of neocolonialism and globalization?

Multinational Corporations

A key role in neocolonialism today is played by world-wide corporate giants. The term *multinational corporations* refers to commercial organizations that are headquartered in one country but do business throughout the world. Such private trade and lending relationships are not new; merchants have conducted business abroad for hundreds of years, trading gems, spices, garments, and other goods. However, today's multinational giants are not merely buying and selling overseas; they are also *producing goods* all over the world, as we saw in the case of Nike (Wallerstein 1974).

Moreover, today's "global factories" (the factories throughout the developing world run by multinational corporations) now have the "global office" alongside them. Multinationals based in core countries are beginning to establish reservations services, centres to process insurance claims, and data-processing centres in the periphery nations. As service industries become a more important part of the international marketplace, many companies are concluding that the low costs of overseas operations more than offset the expense of transmitting information around the world.

Do not underestimate the size of these global corporations. Table 8-3 on the next page shows that the total revenues of multinational businesses are on a par with the total value of goods and services exchanged in *entire nations*. Foreign sales represent an important source of profit for multinational corporations, a fact



The influence of multinational corporations abroad can be seen in this street scene from Manila, capital of the Philippines.

that encourages them to expand into other countries (in many cases, the developing nations).

Functionalist View

Multinational corporations can actually help the developing nations of the world. They bring jobs and industry to areas where subsistence agriculture previously served as the only means of survival. Multinationals promote rapid development through diffusion of inventions and innovations from industrial nations. Viewed from a functionalist perspective, the combination of skilled technology and management provided by multinationals and the relatively cheap labour available in developing nations is ideal for a global enterprise. Multinationals can take maximum advantage of technology while reducing costs and boosting profits.

The international ties of multinational corporations also facilitate the exchange of ideas and technology around the world. They make the nations of the world

Table 8-3 Multinational Corporations Compared to Nations

Corporation	Revenues (\$ millions)	Comparable Nation(s)	Gross Domestic Product (\$ millions)
1. Wal-Mart (USA)	\$219 812	Turkey	\$199 900
2. Exxon Mobil (USA)	191 581	Austria	189 000
3. General Motors (USA)	177 260	Egypt plus Philippines	173 400
4. BP—British Petroleum (Britain)	174 218	Saudi Arabia	173 300
5. Ford Motor (USA)	164 412	Norway	161 800
7. DaimlerChrysler (Germany)	136 897	Colombia plus Peru	134 800
9. General Electric (USA)	125 913	South Africa	125 900
10. Toyota Motor (Japan)	120 814	Finland	121 500
11. Citigroup (USA)	112 022	Greece	112 600
16. Nippon Telephone and Telegraph (Japan)	93 425	Ireland	93 900

Sources: For corporate data, *Fortune* 2002; for GDP data, United Nations Development Programme 2002:190–193.

Notes: Revenues are for 2001. GDP data are for 2000, based on local currencies converted to prevailing U.S. dollar equivalents. Corporations are ranked by their placement on the Fortune 500 list of global corporations.

Think about It

What happens to society when corporations grow economically bigger than countries and spill across international borders?

more interdependent. And these ties may prevent certain disputes from reaching the point of serious conflict. A country cannot afford to sever diplomatic relations, or engage in warfare, with a nation that is the headquarters for its main business suppliers or is a key outlet for exports.

Conflict View

Conflict theorists challenge this favourable evaluation of the impact of multinational corporations. They emphasize that multinationals exploit local workers to maximize profits. Starbucks—the international coffee retailer based in Seattle—gets some of its coffee from farms in Guatemala. But to earn enough money to buy a pound (half a kilogram) of Starbucks coffee, a Guatemalan farmworker would have to pick 500 pounds (225 kilograms) of beans, representing five days of work (Entine and Nichols 1996).

The pool of cheap labour in the developing world prompts multinationals to move factories out of core countries. An added bonus for the multinationals is that the developing world discourages strong trade unions.

Organized labour in industrialized countries insists on decent wages and humane working conditions, but governments seeking to attract or keep multinationals may develop a “climate for investment” that includes repressive antilabour laws restricting union activity and collective bargaining. If labour’s demands become threatening, the multinational firm will simply move its plant elsewhere, leaving a trail of unemployment behind. Nike, for example, moved its factories from the United States to Korea to Indonesia to Vietnam, seeking the lowest labour costs. Conflict theorists conclude that, on the whole, multinational corporations have a negative social impact on workers in *both* industrialized and developing nations.

Workers in developed countries are beginning to recognize that their own interests are served by helping to organize workers in developing nations. As long as multinationals can exploit cheap labour abroad, they will be in a strong position to reduce wages and benefits in industrialized countries. With this in mind, in the 1990s, labour unions, religious organizations, campus groups, and other activists mounted public campaigns to pressure

companies, such as Nike, Starbucks, Reebok, the Gap, and Wal-Mart, to improve the wages and working conditions in their overseas operations (Appelbaum and Dreier, 1999).

Several sociologists who have surveyed the effects of foreign investment conclude that, although it may initially contribute to a host nation's wealth, it eventually increases economic inequality within developing nations. This is true in both income and ownership of land. The upper and middle classes benefit most from economic expansion, whereas the lower classes are less likely to benefit. Multinationals invest in limited areas of an economy and in restricted regions of a nation. Although certain sectors of the host nation's economy expand, such as hotels and expensive restaurants, this very expansion appears to retard growth in agriculture and other economic sectors. Moreover, multinational corporations often buy out or force out local entrepreneurs and companies, thereby increasing economic and cultural dependence (Bornschier, Chase-Dunn, and Rubinson 1978; Chase-Dunn and Grimes 1995; Evans 1979; Wallerstein 1979b).

Modernization

Millions of people around the world are witnessing a revolutionary transformation of their day-to-day life. Contemporary social scientists use the term *modernization* to describe the far-reaching process by which peripheral nations move from traditional or less developed institutions to those characteristic of more developed societies.

Wendell Bell (1981), whose definition of modernization we are using, notes that modern societies tend to be urban, literate, and industrial. They have sophisticated transportation and media systems. Families tend to be organized within the nuclear family unit rather than the extended-family model (see Chapter 11). Members of societies that have undergone modernization shift allegiance from such traditional sources of authority as parents and priests to newer authorities, such as government officials.

Many sociologists are quick to note that terms such as *modernization* and even *development* contain an ethnocentric bias. The unstated assumptions behind these terms are that “they” (people living in developing countries) are struggling to become more like “us” (in the core industrialized nations). Viewed from a conflict perspective, these terms perpetuate the dominant ideology of capitalist societies.

There is similar criticism of *modernization theory*, a functionalist approach proposing that modernization and development will gradually improve the lives of people in developing nations. According to this theory, even though countries develop at uneven rates, development

in peripheral countries will be assisted by the innovations transferred from the industrialized world. Critics of modernization theory, including dependency theorists, counter that any such technology transfer only increases the dominance of core nations over developing countries and facilitates further exploitation.

When we see all the Coca-Cola and IBM signs going up in developing countries, it is easy to assume that globalization and economic change are effecting cultural change. But that is not always the case, researchers note. Distinctive cultural traditions, such as a particular religious orientation or a nationalistic identity, often persist in a developing nation and can soften the impact of modernization. Some contemporary sociologists emphasize that both developed and developing countries are “modern.” Current researchers are increasingly viewing modernization as movement along a series of social indicators—among them degree of urbanization, energy use, literacy, political democracy, and use of birth control. Clearly, these are often subjective indicators; even in industrialized nations, not everyone would agree that wider use of birth control represents an example of “progress” (Armer and Katsillis 1992; Hedley 1992; Inglehart and Baker 2000).

Current modernization studies generally take a convergence perspective. Using the indicators noted above, researchers focus on how societies are moving closer together, despite traditional differences. From a conflict perspective, modernization in developing countries often perpetuates their dependence on and continued exploitation by more industrialized nations. Conflict theorists view such a continuing dependence on foreign powers as an example of contemporary neocolonialism.

STRATIFICATION WITHIN NATIONS: A COMPARATIVE PERSPECTIVE

At the same time as the gap between rich and poor nations is widening, so too is the gap between rich and poor citizens *within* nations. As discussed earlier, stratification in developing nations is closely related to their relatively weak and dependent position in the global economy. Local elites work hand in hand with multinational corporations and prosper from such alliances. Simultaneously, the economic system creates and perpetuates the exploitation of industrial and agricultural workers. That's why foreign investment in developing countries tends to increase economic inequality (Bornschier et al. 1978; Kerbo 2000).

In at least 20 nations around the world, the most affluent 10 percent of the population receives at least

40 percent of all income: Swaziland (the leader at 50 percent of all income), Brazil, Burkina Faso, Central African Republic, Chile, Colombia, Guatemala, Guinea-Bissau, Honduras, Lesotho, Mali, Mexico, Nicaragua, Nigeria, Papua New Guinea, Paraguay, Sierra Leone, South Africa, Zambia, and Zimbabwe. Figure 8-7 compares the distribution of income in selected industrialized and developing nations (World Bank 2002).

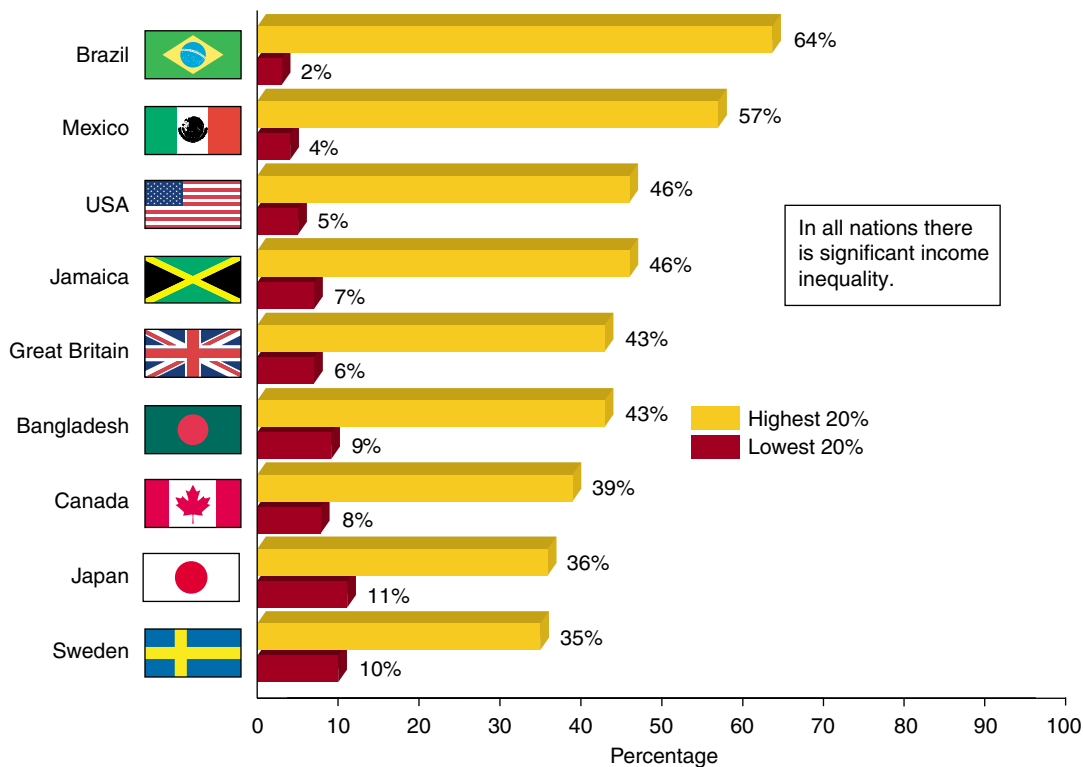
Women in developing countries find life especially difficult. Karuna Chanana Ahmed, an anthropologist from India who has studied women in developing nations, calls women the most exploited among oppressed people. Women face sex discrimination beginning at birth. They are commonly fed less than male chil-

dren, are denied educational opportunities, and are often hospitalized only when critically ill. Whether inside or outside the home, women's work is devalued. When economies fail, as they did in Asian countries in the late 1990s, women are the first to be laid off from work (Anderson and Moore 1993; Kristof 1998).

The social policy section that closes this chapter focuses on the Canadian welfare system, a government program that serves many women (and men) who are trapped in poverty. The aim of welfare reform has been to encourage these people to find jobs and become self-supporting. We'll also see how other governments have approached welfare reform, and what the results have been.

FIGURE 8-7

Distribution of Income in Nine Nations



Source: Based on data from World Bank 2002:74–76.

Note: Data are considered comparable although based on statistics covering 1992 to 1997.

Think about It

Why is income inequality higher in the United States than in Canada, Japan, and Sweden?

SOCIAL POLICY AND STRATIFICATION

Rethinking Welfare in North America and Europe

The Issue

- After five years on Saskatchewan's welfare rolls, a single mother of three is a success story. The 28-year-old has landed a job at a storage company and moved up to a \$12-an-hour customer service position. However, another single mother employed in a nearby hotel for \$8.00 per hour worries about being edged back into unemployment by the stiff competition for low-wage jobs.
- H el ene Desegrais, a single mother in Paris, France, waited for four months to obtain a place in government-subsidized day care for her daughter. Now she can seek a full-time job, but she is concerned about government threats to curtail such services to keep taxes down (Simons 1997).
- Marcia Missouri of Worcester, Massachusetts, tacks up a handwritten advertisement in the public housing project in which she lives to say that she is available to clean yards and braid hair for a few extra dollars. The sign lists a friend's phone number; she doesn't have a phone of her own (Vobejda and Havenmann 1997).

These are the faces of people living on the edge—often women with children seeking to make a go of it amid changing social policies. Governments in all parts of the world are searching for the right solution to welfare: How much subsidy should they provide? How much responsibility should fall on the shoulders of the poor?

The Setting

By the 1990s, there was intense debate in Canada over the issue of welfare. Welfare programs were costly, and there was widespread concern (however unfounded) that welfare payments discouraged recipients from seeking jobs. On the one hand, there were declarations to “end poverty as we know it” (Pear 1996:20), but on the other, neoconservative forces in Canada voiced concern about government spending.

A study released by Statistics Canada in 2004 showed that the number of people on Canada's welfare rolls has decreased by more than one million since

1994. The study attributed the decline to new rules that make it tougher to qualify for social assistance and to improvements in the economies of various provinces (Statistics Canada 2004d). The greatest change in terms of family type of those collecting social assistance occurred among single mothers. In 1995, almost one-half of Canada's single mothers received social assistance; by 2000 that rate had declined to almost one-third.

During the 1990s, the governments of Ontario and Alberta led the way in making social assistance more difficult for people to receive. As of 2000, Alberta had the lowest rate of welfare recipients, Quebec and Newfoundland and Labrador had the highest, and Ontario had moved from having one of the highest rates in 1992 to having one of the lowest rates in 2000 (Statistics Canada 2004d).

Countries vary widely in their commitment to social service programs. But some industrialized nations devote higher proportions of their expenditures to housing, social security, welfare, health care, and unemployment compensation than Canada does. Data available in 2002 indicated that in Ireland, 76 percent of health expenditures were paid for by the government; in Switzerland, 73 percent; in Canada, 71 percent; but in the United States, only 44 percent (World Bank 2002:102–104d).

Sociological Insights

Many sociologists tend to view the debate over welfare throughout industrialized nations from a conflict perspective: the “haves” in positions of policymaking listen to the interests of other “haves,” while the cries of the “have-nots” are drowned out. Critics of so-called welfare reform believe that Canada's economic problems are unfairly being blamed on welfare spending and the poor. From a conflict perspective, this backlash against welfare recipients reflects deep fears and hostility toward the country's poor and dispossessed.

Those critical of the backlash note that “welfare scapegoating” conveniently ignores the lucrative government handouts that go to *affluent* individuals and families. British Columbia, for example, has reduced income

taxes for all residents, including the wealthy, while at the same time reducing or eliminating government services and programs that most benefit the poor.

Those who take a conflict perspective also urge policymakers and the general public to look closely at *corporate welfare*—the tax breaks, direct payments, and grants that the government makes to corporations—rather than to focus on the comparatively small allowances being given to mothers on social assistance and their children. Any suggestion to curtail such “corporate welfare” brings a strong response from special-interest groups that are much more powerful than any coalition on behalf of the poor. One example of corporate welfare is the airline bailout bill that was passed in the wake of the terrorist attacks in September 2001. Within 11 days the U.S. government had approved the bailout, whose positive impact was felt largely by airline executives and shareholders. Relatively low-paid airline employees were still laid off, and hundreds of thousands of low-wage workers in airports, hotels, and related industries received little or no assistance. Efforts to broaden unemployment assistance to help these marginally employed workers failed (Hartman and Miller 2001).

Policy Initiatives

The government likes to highlight success stories. It is true that many people who previously depended on tax dollars are now working and paying taxes themselves. But it is much too soon to see whether welfare reform will be successful. The new jobs that were generated by the booming economy of the late 1990s may be an unrealistic test of the system. Prospects for the hard-core jobless—those people who are hard to train or who have drug or alcohol dependency, physical disabilities, or child care needs—remain a challenge.

In the United States, fewer people are on welfare since enactment of the welfare reform law in August 1996. By January 2002, nearly 7 million people had left the system, reducing the rolls to 5.4 million people. Yet research showed that most adults who had gone off welfare had taken low-wage jobs that did not offer benefits. As they moved off welfare, their Medicaid coverage ended, leaving them without health insurance. Support has also been lacking for working parents who need high-quality child care. And assistance to immigrants,

even those who are legal residents, continues to be limited (Department of Health and Human Services 2002, 2000; Ehrenreich and Piven 2002).

European governments have encountered some of the same citizen demands as those found in North America: Keep our taxes low, even if it means reducing services to the poor. However, nations in Eastern and Central Europe have faced a special challenge since the end of communism. The governments in those nations had traditionally provided an impressive array of social services, but they differed from capitalist systems in several important respects. First, the communist system was premised on full employment, so there was no need to provide employment insurance or social services focused on older people and those with disabilities. Second, subsidies, such as for housing and even utilities, played an important role. With new competition from the West and tight budgets, some of these countries are beginning to realize that universal coverage is no longer affordable and must be replaced with targeted programs. Even Sweden, despite its long history of social welfare programs, is feeling the pinch. Still, only modest cutbacks have been made in European social service programs, leaving them much more generous than those in Canada and the United States (Gornick 2001).

Both in North America and Europe, people are beginning to turn to private means to support themselves. For instance, they are investing money for their later years rather than depending on government social security programs. But that solution only works if you have a job and can save money. Increasing proportions of people are seeing the gap growing between themselves and the affluent with fewer government programs aimed at assisting them. Solutions are frequently left to the private sector, while government policy initiatives at the national level all but disappear.

Applying Theory

1. What might be the focus of some feminist sociologists as they studied the changes in welfare reform in Canada and elsewhere?
2. How would you explain the trend of the decreasing number of Canadians receiving social assistance?
3. Have you or has anyone you know applied for social assistance? If so, what caused you or them to do so?

CHAPTER RESOURCES

Summary

Stratification is the structured ranking of entire groups of people that perpetuates unequal economic rewards and power in a society. In this chapter, we examined three general systems of stratification, social inequality as reflected in social class and social mobility, stratification within the world economic system, and the welfare system in North America and Europe.

1. Some degree of **social inequality** characterizes all cultures.
2. Systems of **stratification** include **slavery**, **castes**, and social **class**.
3. Karl Marx saw that differences in access to the means of production created social, economic, and political inequality and distinct classes of owners and labourers.
4. Max Weber identified three analytically distinct components of stratification: **class**, **status group**, and **power**.
5. Functionalists argue that stratification is necessary to motivate people to fill society's important positions; conflict theorists see stratification as a major source of societal tension and conflict.
6. One measure of social class is occupational **prestige**. A consequence of social class in Canada is that both **wealth** and **income** are distributed unevenly.
7. The category of the "poor" defies any simple definition, and counters common stereotypes about "poor people." The long-term poor, who lack training and skills, form an **underclass**.
8. Functionalists find that the poor satisfy positive functions for many of the nonpoor in capitalist societies.
9. A person's **life chances**—opportunities for obtaining material goods, positive living conditions, and favourable life experiences—are related to social class. Occupying a high social position improves a person's life chances.
10. **Social mobility** is more likely to be found in an **open system** that emphasizes achieved status than in a **closed system** that focuses on ascribed characteristics. Race, gender, and class intersect to produce compounded chances for social mobility.
11. Former colonized nations are kept in subservient positions, subject to foreign domination, through the process of **neocolonialism**.
12. Drawing on the conflict perspective, the **world systems analysis** of sociologist Immanuel Wallerstein views the global economic system as divided between nations that control wealth (**core nations**) and those from which capital is taken (**periphery nations**).
13. According to **dependency theory**, even as developing countries make economic advances, they remain weak and subservient to core nations and corporations within an increasingly intertwined global economy.
14. **Multinational corporations** bring jobs and industry to developing nations, but they also tend to exploit the workers there in order to maximize profits.
15. According to **modernization theory**, development in peripheral countries will be assisted by the innovations transferred from the industrialized world.
16. Many governments are struggling with how much tax revenue to spend on welfare programs.
17. Welfare rolls in Canada have shrunk by more than one million people since 1994.

Critical Thinking Questions

1. How would functional thinkers explain the growing gap between the rich and the poor in Canada? What about among nations?
2. Sociological study of stratification generally is conducted at the macrolevel and draws most heavily on the functionalist and conflict perspectives. How might sociologists use the *interactionist* perspective to examine social class inequalities within a university?
3. Imagine you have the opportunity to do research on changing patterns of social mobility in a developing nation from a feminist perspective. What specific question would you want to investigate, and how would you go about it?
4. Why do you think companies like Nike do not produce their products in their own country?

Key Terms

- Absolute poverty** A standard of poverty based on a minimum level of subsistence below which families should not be expected to live. (page 174)
- Bourgeoisie** Karl Marx's term for the capitalist class, comprising the owners of the means of production. (168)
- Capitalism** An economic system in which the means of production are largely in private hands and the main incentive for economic activity is the accumulation of profits. (168)
- Castes** Hereditary systems of rank, usually religiously dictated, that tend to be fixed and immobile. (164)
- Class** A group of people who have a similar level of wealth and income. (169)
- Class consciousness** In Karl Marx's view, a subjective awareness held by members of a class regarding their common vested interests and need for collective political action to bring about social change. (169)
- Class system** A social ranking based primarily on economic position in which achieved characteristics can influence social mobility. (165)
- Closed system** A social system in which there is little or no possibility of individual mobility. (179)
- Colonialism** The maintenance of political, social, economic, and cultural dominance over a people by a foreign power for an extended period of time. (181)
- Dependency theory** An approach that contends that industrialized nations continue to exploit developing countries for their own gain. (181)
- Esteem** The reputation that a particular individual has earned within an occupation. (172)
- False consciousness** A term used by Karl Marx to describe an attitude held by members of a class that does not accurately reflect their objective position. (169)
- Globalization** The worldwide integration of government policies, cultures, social movements, and financial markets through trade and the exchange of ideas. (183)
- Horizontal mobility** The movement of an individual from one social position to another of the same rank. (179)
- Income** Salaries and wages. (162)
- Intergenerational mobility** Changes in the social position of children relative to their parents. (179)
- Intragenerational mobility** Changes in a person's social position within his or her adult life. (179)
- Life chances** People's opportunities to provide themselves with material goods, positive living conditions, and favourable life experiences. (177)
- Modernization** The far-reaching process by which peripheral nations move from traditional or less developed institutions to those characteristic of more developed societies. (186)
- Modernization theory** A functionalist approach that proposes that modernization and development will gradually improve the lives of people in peripheral nations. (186)
- Multinational corporations** Commercial organizations that, although headquartered in one country, own or control other corporations and subsidiaries throughout the world. (184)
- Neocolonialism** Continuing dependence of former colonies on foreign countries. (181)
- Objective method** A technique for measuring social class that assigns individuals to classes on the basis of such criteria as occupation, education, income, and place of residence. (172)
- Open system** A social system in which the position of each individual is influenced by his or her achieved status. (179)
- Power** The ability of people to exercise their will over others. (170)
- Prestige** The respect and admiration that an occupation holds in a society. (172)
- Proletariat** Karl Marx's term for the working class in a capitalist society. (168)
- Relative poverty** A floating standard of deprivation by which people at the bottom of a society, whatever their lifestyles, are judged to be disadvantaged in comparison with the nation as a whole. (175)
- Slavery** A system of enforced servitude in which people are legally owned by others and in which enslaved status is transferred from parents to children. (164)
- Social inequality** A condition in which members of a society have different amounts of wealth, prestige, or power. (162)
- Social mobility** Movement of individuals or groups from one position of a society's stratification system to another. (178)
- Status group** People who have the same prestige or lifestyle, independent of their class positions. (170)
- Stratification** A structured ranking of entire groups of people that perpetuates unequal economic rewards and power in a society. (162)
- Underclass** People who are poor for the long term and who lack training and skills. (177)
- Vertical mobility** The movement of a person from one social position to another of a different rank. (179)
- Wealth** An inclusive term encompassing all of a person's material assets, including land and other types of property. (162)
- World systems analysis** A view of the global economic system as divided between certain industrialized nations that control wealth and developing countries that are controlled and exploited. (181)

Additional Readings

Carroll, William. 2003. *Corporate Power in a Globalizing World*. Toronto: Oxford University Press. This book offers a systematic analysis of the Canadian corporate network in the global context, arguing that it constitutes the leading edge of the ruling class.

Grabb, Edward G. 2002. *Theories of Social Inequality*, 4th ed. Toronto: Harcourt. This book provides a com-

prehensive overview and analysis of both classical and contemporary theories of social inequality.

Van der Gaag, Nikki. 2004. *The No-Nonsense Guide to Women's Rights*. Toronto: New Internationalist Publications. This book places poverty in a global context, focusing on those who suffer the most—women and children.



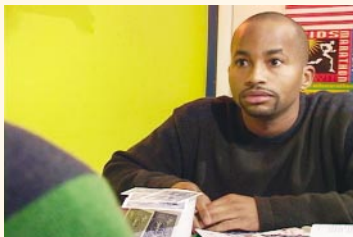
Online Learning Centre

Visit the *Sociology: A Brief Introduction* Online Learning Centre at www.mcgrawhill.ca/college/schaefer to access

quizzes, interactive exercises, video clips, and other research and study tools related to this chapter.



Reel Society Interactive Movie CD-ROM 2.0



Reel Society 2.0 can be used to spark discussion about the following topics from this chapter:

- Understanding stratification
- Stratification by social class
- Social mobility