THE FOUNDATIONS OF CLASS AND CLASSISM

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I. Introduction

When questioned about the needs of working class citizens during his 1988 Presidential Campaign, George Bush bristled and declared that class was a “European thing” and that “we Americans were not going to let ourselves be divided by class.” Although the U.S. when viewed through the lens of dominant culture is seen as classless, most Americans recognize the deep class divides that separate them. President Bush clearly understood his own class interest when he attacked as “class warfare” Democrat proposals to increase taxes on wealthy Americans (Parenti, 1994). Interestingly George Bush did not consider his own proposals to cut financial aid to students, job training programs, and aid to the poor as attacks on the working class, nor did he view corporate attacks on unions and the resulting reductions in the living standards of working people as class warfare. Class exists when it is convenient to defend one’s own interests, and within corporate America class-based policies are seen as just prudent business policies necessary to restore economic “efficiency” and “competitiveness” for the benefit of “all” Americans rather than class based attacks on and exploitation of the working class.

There is much confusion about class in the U.S., sometimes it seems to exist and at other times it seems to be invisible, sometimes we are told that we should not let class divide us while at the same
time class interests are defended and extended at the expense of others. Michael Harrington, an outspoken critic of our economic system and champion of labor, especially the poor, called class “America’s dirty little secret.” The dominant American cultural view is that the vast majority of people are at least modestly successful, who as result of individual hard work, thrift, discipline, and education are living the American Dream, the “middle class” good life.

What about the very rich and the poor? Within the dominant U.S. culture those who are rich are viewed as just a handful of extraordinarily talented individuals, not a class, who through superior skill, creatively, and insight have provided us with the entrepreneurial spirit and leadership that has made the United States great. We should be grateful to the Duponts, Carnegies, Rockefellers, Sam Waltons, and Bill Gates of the world for the gifts these individuals have bestowed upon us. Without their extraordinary talents & creativity, the rest of us would be much worse off. Their wealth while large is but a small price to pay for the much larger benefits they have bestowed on the American people.

The poor are viewed as just a group of unsuccessful individuals, and while more numerous than the rich the poor constitute a relatively small group when compared to the “middle class” majority. To make sure we do not view them as a class the poor are racialized and femininized, and lumped together into an
“underclass.” We get a glimpse here of the ways in which race and gender are used to divert attention away from issues of class inequality (Quadagno 1994). The poor, in contrast to the rich, consist of individuals who are extraordinarily unfit, lazy, and immoral. In the dominant cultural view they do not work, do not care to work, are uneducated, irresponsible, sexually promiscuous, and unable to defer gratification. They do not want to help themselves and expect taxpayers to foot the bill for their “lifestyles”. In this view, unlike the rich, the poor are vilified and viewed as a drag on the rest of the society, as a threat to civilized society and the American way of life.

In short, the predominant view of America is one of a classless society based on individual meritocracy. However, just as viewing ourselves as a raceless colorblind society, or genderless genderblind society, denies the ugly realities of racism and sexism, so viewing ourselves as a classless and class blind society denies the ugly realities of class and classism. It is ironic that we have been able to manufacture such an image of ourselves in light of the fact that the U.S. has the worse record among industrialized nations of income and wealth inequality, the worse record of class violence, and a long history of class bigotry and prejudice (Puette 1992; Chasin 1997: Ch 5; Bullock 1995).

In reality, the U.S. is deeply divided by class presidential protestations to the contrary. Classlessness is a myth, along with
the attendant cultural mythology which on the one hand denies the existence of class while at the same time rationalizing economic inequality in individual meritocratic terms. This dominant cultural mythology, masquerading as reality, has resulted in a crippled conceptual framework for understanding class and an impoverished public discourse on class and classism.

This chapter seeks to unlock the secrets of class in the U.S., “America’s dirty little secret.” Until class relations are understood we will be unable to understand class inequality and oppression, and we will be unable to completely understand the class dimensions of race or gender. Of course, we must also understand the ways in which race and gender shape class for these are integrated experiences based on interlocking systems of oppression. We begin in Part II by defining class and drawing on the work of political economists (see especially Bowles and Edwards 1993) we will analyze at the macro social level the economic foundations of class and classism. We will examine class conflict in the context of the relentless search for corporate profits and the macrodynamics of capitalist growth and development. In Part III we will look at capitalism in the United States examining more closely its class structure, the ways in which our class experiences have been raced and gendered, the distribution of wealth and income, and the quality of working class life. Finally, in Section IV we will examine the intergroup and personal dynamics of class of classism.
II. Defining Class and the Economic Basis of Class Oppression

1. Class and Classism: How we define class is crucial to how we are able to conceptualize and think about class. It is clear that even though American’s tend to view themselves as classless (or perhaps middle class), people are none the less able to self-identify with a particular class. People are also conscious of the many ways in which class divides us in terms of status rankings, life-styles, education, occupations, income, and wealth. Donna Langston states that

...as a result of the class you are born into and raised in, class is your understanding of the world and where you fit in; it's composed of ideas, behavior, attitudes, values, and language; class is how you think, feel, act, look, talk, move, walk; class is what stores you shop at, restaurants you eat in; class is the schools you attend, the education you attain; class is the very jobs you will work at throughout your adult life... We experience class at every level of our lives... In other words, class is socially constructed and all-encompassing. When we experience classism, it will be because of our lack of money... and because of the way we talk, think, act, move--because of our culture (Langston 1995:112).

As important as these personal dimensions of class are they miss the fact that class is both a relational and structurally-based experience. Classes exist in relation to one another in ways that are often oppositional, i.e., the benefits and privileges of one class are at the expense of other classes in the same way that the
benefits that men and whites receive are often at the expense of women and people of color. While many people recognize that racism and sexism prevent everyone from having an equal chance to succeed, class inequality is often viewed and justified as the result of a meritocracy where each individual has a fair chance to succeed. However, few seem to recognize that economic inequality is also based on the structures of class and classism that privilege the wealthy and already successful.

We define classism as the systematic oppression of one group by another based on economic distinctions based on one’s position within the system of production and distribution. At the institutional level structure allows socially consequential power to be employed against the wills and efforts of individuals who are affected by the exercise of such power (Bowles and Gintis 1986: 101). Class is a system of power and authority, of domination and subordination that is economically based.

2. Economic Foundation: Understanding the economic basis of class is the key to understanding classism. Let us assume that we are members of a hypothetical small simple society and that corn is our only product. In order to produce corn we plant corn seed and cooperatively work the corn fields with the aid of oxen to pull the plows. The land that we farm belongs to no one for there is no private property in Cornland and the land exists for our collective use. (This exercise is drawn from Larudee 1993: 46)
At the end of the growing season, after all the tilling, planting, and cultivating, we harvest all the corn and prepare to distribute Cornland’s harvest. Everyone has cooperated and participated in the production of corn and together we decide democratically how to distribute it. The amount of corn harvested represents the total or gross product. To guarantee our survival beyond the current year, or what can be referred to as our social reproduction, we need to set aside enough seed corn to plant next year’s crop and enough feed corn for the oxen. This in modern accounting terms is called depreciation and when we subtract this from the total product, the remaining corn is referred to as the net product:

TOTAL OR GROSS PRODUCTION
-Seed Corn
-Feed Corn

NET PRODUCT

We must also set aside enough corn to maintain ourselves at our customary standard of living. This is called necessary consumption, necessary to maintain our health, strength, motivation, and provide the material basis for social and cultural life. Our necessary consumption is defined as the amount of corn that is customary to maintain our current standard of living.

NET PRODUCT
-Necessary Consumption

SURPLUS PRODUCT
Any remaining corn left over is the **surplus product**. It represents the social surplus, what is left over after depreciation and necessary consumption, the amount of corn set aside to guarantee the social reproduction of Cornland over the next production cycle.

If there is nothing leftover and there is no surplus product then we have what is called simple reproduction, i.e., we have enough corn to reproduce ourselves at the same level of output next year. Let’s assume that we developed a new hybrid corn seed which increased our crop yields so that Cornland winds up a social surplus. Our distribution task is not over and we must decide how we want to use (distribute) the surplus. For example, we could decide to increase our necessary consumption raising our standard of living. Or we might take children and the elderly out of the fields and use the surplus to support them. Or we might invest it in more seed and feed corn so that can expand our production of corn next year which would allow for the expanded reproduction of society. Or if we do not care for as much corn next year we can consume this years surplus and work less next year giving us more leisure time. What we do with the surplus has consequences for all of us and whatever we choose to do we decide together democratically.

What defines class is the disposition of the social surplus. A class exists when some group, against the will of the community, is able to lay claim to the surplus through force, legal strictures or some other means. In Cornland there are no classes, we decided
together what to do with the surplus, there was no person or group that had the power to dictate our choices. But suppose that the citizens of some other community swoop down on us and force us to work for them and make us surrender our surplus corn to them. Perhaps they turn us into slaves forcing us to work for them. We no longer have a say in the distribution of the total product and by lowering our necessary consumption to the bare minimum required for survival the new slave owning class is able to increase the amount of surplus available to support their luxury consumption. They might use it to build pyramids, lavish palaces or plantation mansions.

Or instead of enslaving us perhaps they leave us free to produce corn in the same old way but find some other way of forcing us to turn over a percentage of the corn at the end of each production cycle. Again by forcing our necessary consumption down to minimal levels and keeping the percentage of the our total product that we must turn over to them high, the surplus available to these new rulers is quite large. If we try to leave the land and stop producing corn, or fail to turn over our social surplus then it is off with our heads. Maybe over time this new ruling class is able to establish themselves as royalty and convince us that their right to rule and their right to the surplus is God-given based on divine right. The surplus might be used to build great cathedrals and palaces for the royal families or used to finance religious crusades.
Of course these scenarios in Cornland have not been manufactured out of thin air, they correspond to two historically real class-based economics systems, slavery and feudalism. Living off the labor of another group is what really defines class. Being a surplus receiver implies first that you can control the labor process of others, that you have some way to make people work for you and can receive the product of their labor. Second, you must have some property rights so that you can claim that the surplus product rightfully belongs to you. Slavery and feudalism are class-based economic systems each with a different class structure and organization, a distinctive way of organizing the labor process, controlling and exploiting workers, and claiming the economic surplus. Class structures and organization are enforced by a society's legal code expressed in terms of property rights.

Capitalism too has a distinctive class structure and organization, although its class basis is perhaps less transparent than the class basis of slavery and feudalism. In Cornland suppose that some group had been able to throw us off the land and seize the oxen, claiming both as their private property. Without access to the land or the oxen, to the means of production, we could no longer produce our own corn and would be reduced to selling our labor power and working for the property owners in exchange for our necessary consumption (wages).
This corresponds to the real historical process in 17th and 18th century Europe when through a series of enclosure movements the new rising bourgeoisie forced the peasants off the land enclosing it as private property establishing the conditions for the rise of capitalism (Beaud 1983). Under capitalism, one class has a claim to the product produced by others by virtue of their ownership of the means of production including all the raw materials, tools, equipment, factories, farms, and offices. The ownership of the means of production gives the owning group or capitalist class legal property rights to the total product (total revenue), to the distribution of the total product (income distribution), to the surplus product (profit), and to the control of the labor process (production).

The direct producers, the working class, are completely alienated from the production and distribution process in contrast to our earlier experience in Cornland where we were in charge of our own cooperative labor process and where everyone had a right to participate democratically in the distribution process. Given the unequal system of class power and control under capitalism, workers are in a subordinate position where they can be exploited and oppressed. By forcing workers to work long and hard, by keeping workers wages (necessary consumption) low, and by spending as little as possible to maintain healthy and safe workplaces, owners are able to maximize their profits (surplus).
Capitalists and workers thus constitute separate classes whose interests are in fundamental conflict with each other. Capitalists own the capital goods used in production and as a result control the labor of others, the labor process, and the surplus product. The working class consists of those who do not own capital goods and perform wage labor. Workers produce the total product, but have little control over the labor of others or the labor process. They are surplus producers not surplus receivers. Like other class based economic systems, the class structure of capitalism is relational, related to the labor process, and hierarchical.

The macrolevel institutional basis of class oppression goes beyond these economic structures. The capitalist mode of production requires a capitalist system that includes a set of noneconomic institutions and culture to make it work. The family, legal/judicial system, government, schools, church, mental health system, culture, and community organizations are all structured in ways that maintain and reproduce capitalist dominance and class structures. Although space does not permit a discussion here of these other institutional bases of class oppression, understanding the class-based (as well as other oppression based) nature of these institutions, and the ways in which these reinforce, extend, or challenge class oppression, is important to a complete understanding of how classism works. (See for example Edwards, Reich, & Weisskopf 1986; McNall, Levine, & Fantasia 1991; Foley 1990)
3. The Race for Profits and Class Conflict: Capitalist profits result from the labor process and the process of production. Private ownership of capital goods gives the legal right to the capitalist of the total output and thus total revenue of the firm. Capitalist profit is the residual, the amount by which the output price exceeds the cost of producing the output. Profit is what is left over out of total revenue for the capitalist after materials used, wear and tear on machines, and labor employed have all been paid. This residual is the equivalent of the surplus product which is produced by workers but claimed by capitalists. It is easy to imagine, firms without capitalists where the surplus produced belongs to the workers who decide democratically what to do with the surplus just as we did in Cornland. Profits exist and accrue to capitalists because of property ownership just as the surplus product that accrued to feudal lords or slave owners resulted from the unequal structural position with serfs and slaves.

Understanding the dynamics of capitalism requires both an understanding of class and the rate of profit. Although private ownership of the means of production is a necessary condition for capitalist profits it is not sufficient for their long run maintenance. The rate of profit depends upon the technology used in production, the fraction of total revenue needed to replace means of production used up, and the degree of control over the labor process. Private ownership of the means of production gives capitalists the
legal right to control the labor process. However, the labor process is a contested terrain where the interests of workers and capitalists are structurally opposed and rarely coincide. Workers are not passive and they fight for their own class interests by resisting capitalist dominance.

The resolution of these conflicts affect the rate of profit. For example, the rate of profit, other things equal, will be higher the lower the level of wages and the harder workers work. Workers will, however, favor higher wages and a less fatiguing, less dangerous pace of work. The particular outcome is the result of class struggle and depends upon the relative bargaining power of workers and employers. The only way that workers can achieve any bargaining power is through class unity and solidarity.

Unions are formal labor organizations which collectively bargain on behalf of their members. Their principle source of power is their ability to withhold labor, to strike. Unions negotiate contracts that include wage rates, fringe benefits, and employment practices which include work standards and rules, job assignments, worker health and safety, and grievance procedures. Union contracts help to protect workers from the unconstrained commands of employers. Union success depends upon a number of variables such as the degree of labor unity and solidarity, labor market conditions, skill of union officials, labor laws, and the strategies adopted by employers.
While workers can be victorious, the outcome is usually favorable to capitalists because of their power and control over the production process. However, capitalist domination is incomplete without some sort of additional mechanism to insure sufficient power over workers. The threat of unemployment is perhaps the most common way that workers’ bargaining power with employers can be weakened. The right of exclusion, the right to hire and fire are legal property based rights in capitalism. Any bargaining leverage workers have will be diminished in the face of unemployment. Economic insecurity and the threat of economic insecurity places workers in a weak bargaining position, both in labor markets (lower wages) and inside the firm where workers are less able to resist speedup and dangerous or boring work situations. It is usually much more difficult for a worker to find another job than it is for a capitalist to find another worker. This asymmetrical relationship between capitalists and workers is one of the major factors insuring high rates of profits, and low wages and poor working conditions for workers.

Full employment implies that everyone who has a job could easily get another one at a similar market clearing wage. Although this situation is possible in capitalism it is unlikely to persist because it conflicts with high rates of profit. If a worker can find another comparable job quickly and easily then they are more likely to resist low wages, speedup, work-rule changes, unsafe working
conditions, or other capitalist strategies that effect workers adversely.

Full employment is thus likely to affect the capitalist rate of profit negatively. Falling profits would induce capitalists to cut back and lay off workers. The resulting unemployment reestablishes the threat of being fired and allows capitalists to implement strategies that restore the rate of profit at workers expense. Unemployment acts as a safety valve for capitalists that maintains high rates of profit. From a class perspective unemployment is a more or less permanent feature of capitalism, necessary to maintain corporate control and high rates of profit.

The greatest threat to capitalist power and domination is working class solidarity. When workers are united they are better able to resist and to challenge capitalist authority and control. This affects rates of profit negatively. One capitalist strategy that is a powerful tool in preventing unionization and keeping workers divided is discrimination. It is profitable for capitalists to discriminate and to exploit ethnic/racial and gender social divisions within the workforce. Employers benefit by having an easily exploitable group that can be hired for very low wages. Racism and sexism promote the belief that women and people of color are of less value and can therefore be paid less and worked harder than whites or males. Although all workers are exploited, workers of
color and women are super-exploited, and racism and sexism are used to justify or rationalize this oppression.

Additionally, by pitting whites against people of color, and males against females, workforces become divided and more easily controlled and thus exploited. These divide and conquer strategies result in all workers being worse off than if they were united across race and gender while enhancing capitalist control and maximizing rates of profit.

However, why is it necessary for capitalists to strive for maximum rates of profit, especially when it is often at workers expense? Why are not more employers willing to share more equally with their workers and why has discrimination been so pervasive? Under capitalism private ownership of the means of production makes it necessary for individual businesses to compete with one another. To be successful and stay in business then must aggressively develop competitive strategies that minimize the cost of doing business in order to achieve high rates of profit. If they do not, they will be driven out of business. Keeping labor costs to a minimum and worker efforts high are two of the major strategies used to lower costs and maximize rates of profits in order to meet the competitive challenge of rival businesses.

4. Class and Macrodynamc Forces of Capitalism: Competition among capitalists for profits produces powerful forces for change in capitalism. The separation of producers from their means of
production and the separation of individual owners of the means of production from each other enforces competition that compels capitalists to reinvest their profits (surplus product). The continuous reinvestment of surplus over time in search of profits is called **capital accumulation**. The capital accumulation process includes mobilizing, transforming, and exploiting the inputs (including labor) used in capitalist production and marketing. Transforming the labor process, developing new technologies, generating new supplies of labor and raw materials, and increasing the stock of capital goods are all parts of this process. The accumulation process is the basic source of change in capitalism. Capitalists create change by investing profits and they change the world in order to make more profits.

So powerful are these forces of change, that capitalism has in a relatively short period of time radically transformed the very fabric of society and the world. The endless search for profits drives capitalists beyond national boundaries in search of additional markets, cheaper raw materials, a cheaper and more docile workforce, and other profit making opportunities. Capitalism is thus inherently expansionary linking the fates of countries and peoples together into a **global capitalist system**. Wherever the capital accumulation process has been self-sustaining, capitalism has very quickly become the dominant economic system.
Capitalist development has been characterized by rapid population growth, migration of millions of people, urbanization, and continuous scientific and technological breakthroughs in production, in land and sea transportation, and in communication. Real incomes have increased, and people's diets, housing, and life styles have changed dramatically. The sources of people's incomes have changed from agriculture to industry and most recently to a “post-industrial” service-based economy. Independent commodity production was replaced by dependent production and people began working for someone else. Capitalism also introduced workers to the dangers of industrial work as well as the insecurity and material hardships of economic dislocation and unemployment. Social and family life also have been radically transformed with the development of the nuclear family, the greatly reduced capacity of the family as a production unit, and the geographical separation of kin groups.

The competitive drive for profits in capitalism creates powerful forces of change which generate rapid economic growth and industrialization. Although the productive capabilities of capitalism are its greatest strength, this systems greatest weakness is its inability to distribute equitably the benefits nor distribute fairly the costs of rapid economic growth. The costs of rapid growth are borne disproportionately by the working class as they are forced to adapt to new technologies. Jobs and sometimes whole occupations are eliminated forcing people into unemployment, retraining,
relocation, and often into poverty (Jones 1992). This is usually rationalized as the price "we" must pay for progress and indeed it is within a capitalist system where economic decisions are determined solely on the basis of corporate profit and where there are no economic mechanisms to insure that other interests are taken into account.

Another inherent deficiency of capitalism is that the process of growth and development in a capitalist system is highly unstable and uneven. Capitalist growth and development is unstable generating alternating periods of boom and bust. The macrodynamics of the capitalist economy is linked very closely to the amount of investment which depends upon the expected rate of profit.

Given the volatile nature of class conflict, capitalist competition, and technological change capitalist profit expectations vary dramatically from one time period to another. This variance in profit expectations produces short-run as well as long-run cyclical instability, alternating between good times and bad, economic growth and stagnation. When profits are high or the future looks profitable to capitalists they step on the investment accelerator fueling economic expansion. When profits are low or future expectations are low capitalists step on the investment brakes driving the economy into a recession or depression.

Although everyone is effected by periods of economic stagnation (recessions and depressions), members of the working class, those
with the least amount of power, are hurt the most. During periods of prosperity those at the top benefit disproportionately to those at the bottom who may not benefit at all depending upon the degree of bargaining power they have. The economic fates of individuals, their opportunities for success or failure, are tied directly to the investment decisions of capitalists, in good times as well as bad. Macroeconomic instability combined with continuous change generated by the capitalist system means that few people can count on any sort of long run economic security and stability.

Finally, capitalism expands globally in ways that condemn much of the world’s people to poverty and underdevelopment. The spread of capitalism to much of the world began with colonialism and continues with neocolonialism and imperialism (Barone 1986). The social surplus generated in these countries has largely accrued to foreign capitalists through unequal trade, foreign ownership of economic assets (factories, plantations, mines, and natural resources), and foreign capitalist domination of technology and financial resources. This surplus drain has left much of the world’s people impoverished and underdeveloped by the standards of industrialized capitalist countries (Barone 1986: Ch 4).

III. U.S. CAPITALISM

1. Class Structure: The growth and development of capitalism in the United States over the last two hundred years has caused many profound changes. In the late 1700s capitalist relations (dependent
commodity production) accounted for no more than 6% of the economically active population in the U.S. Home production, independent commodity production, slavery, and Native American communal/kinship production were the predominant relations of production (Bowles and Edwards 1993: 115).

The growth of capitalist relations gradually forced those using non-capitalist methods to choose between adopting capitalist relations (and uncertain success) or certain economic ruin in competition with cheaper capitalist production. For most the alternative was wage labor even though many were willing to endure individual/family hardship rather than tolerate the many harsh conditions of wage labor such as impoverished wages, insecurity, and oppressive work conditions. Much of the wage labor force came from the large numbers of immigrants who had little or no wealth and were thus forced into wage employment.

The dream of being one's own boss, an independent commodity producer or business person continues to define the aspirations of many USers today even though the opportunities for realizing such dreams are very limited. By the turn of the 19th Century capitalist relations were predominate with only 35% of the people self-employed while 63% were wage/salary employees. By 1980s the corresponding percentages would be 11% self-employed and 81% wage/salary employees (Reich 1986: 124).
The class structure in the U.S. has thus undergone significant change as a result of the changes associated with capitalist development. The means of production, once widely held by independent commodity producers, have been concentrated in the hands of a small owning class. Within these class structures, domination has been extended historically by the use of segmented labor markets and internal labor markets that have separated workers on the basis of artificially created occupational structures and job ladders (Edwards 1979; Gordon et al 1982).

Workers are not passive, however, and there has been a long history of struggle for economic justice in the U.S. Working class unity has been difficult in face of significant geographical separation and racial/ethnic diversity. In spite of this, workers often at great cost to themselves have been able to organize unions and against great odds get legislation passed in defense of working class interests (Brecher 1998; Goldfield 1987; Zinn 1995; Dowd 1993). However, the percentage of workers unionized in the U.S. has always been low when compared to other capitalist countries, and has over the last 30 years declined from a high of about 26% of the labor force in the 1950's to the current level of 14%. Government laws protecting workers and their rights are also weaker in the U.S.

The capitalist class includes those who both own capital goods and control the wage labor of others. (See Table 1 below). This includes both those who own and the top executives of large
corporations who usually own as well as manage. On this basis only about 2% of economically active population constitute this corporate capitalist class. The working class on the other hand has grown from a relatively small class (5% in 1780) to the largest class in the U.S. (80% in the 1990s).

Table 1

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<tr>
<th>Controls the Labor of Others?</th>
<th>Owns Capital Goods Used in Production?</th>
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<tbody>
<tr>
<td>Yes</td>
<td>Yes (Capitalist Class (2%))</td>
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<tr>
<td></td>
<td>No (New Middle Class (10%))</td>
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<tr>
<td>No</td>
<td>Yes (Old Middle Class (8%))</td>
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<tr>
<td></td>
<td>No (Working Class (80%))</td>
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</table>

Source: Bowles and Edwards, Understanding Capitalism, p.93.

The remaining 18% of USers are classified as middle class. Middle class usually implies a certain sort of lifestyle or certain level of income. Such a definition of middle class is very different from the structural one used here. A distinction can be made between the old and new middle classes. The old middle class includes those who own their own means of production but do not control on a regular basis the labor of others. They include small businesses (e.g., family businesses and farms) as well as those who are self-employed like plumbers or lawyers. Although they are their own bosses their fate is often determined by corporate capitalist enterprises. Once a
majority class in the U.S. these independent commodity producers have shrunk to include only 8% of USers.

The new middle class consists of people who do not own their own means of production but do control the labor of others. They include managers (excluding top executives) and supervisors who usually work for a salary instead of a wage. While they control the labor of others, they are also controlled by corporate owners and top executives. The new middle class includes those who assist capitalists in squeezing as much surplus as possible out of workers (supervisors), in realizing the largest possible surplus (sales, marketing), in keeping track of the surplus (accounting), and in investing surplus (finance).

The new middle class is also sometimes referred to as the professional/managerial class which is defined more broadly to include intellectuals, teachers, social workers, media professionals, etc. Their role from the perspective of class power and domination is to facilitate the cultural and social reproduction necessary to insure capitalist control and working class subordination (Walker 1979; Belkhir 1996). Whatever the label and precise definition, this class hardly existed two hundred years ago and is the product of capitalist development and the growth of mass production, large scale enterprises, and mass consumption which it engenders.

3. Race, Gender, and Class: The American economic experience has been shaped significantly by both race and gender as well as
class. One of the major ways that workers have been kept down in the U.S., is through employer use of racial/ethnic and gender differences to further divide and separate workers. Additionally, members of all classes have used discrimination to secure more privileged economic positions for themselves (Roediger 1991). The capitalist economy provides a very fertile environment for racism and sexism. People are forced to compete with each other for jobs in the face of not enough jobs to go around and too few jobs that offer good pay and good working conditions. The very foundations of capitalism in the U.S., from colonization onward were based on notions of Anglo superiority where native peoples and then later Africans, Asians, and Latinos were exterminated, enslaved, and/or brutally exploited. The use of African and Chinese strike breakers and employer tactics that fueled racial/ethnic antagonisms within the workplace have been powerful employer strategies used to prevent unionization, keep workers divided, and provide employers with cheap labor (Takaki 1993; Steinberg 1989).

Confining the labor of women to the household as unpaid workers and legislating the use of women in the paid labor force, “protective” legislation in the late 1800s further divided workers by gender resulting in an occupational division of labor that still evident in the patterns of men’s and women’s work and unequal pay in the U.S. today (Albelda, Drago, Shulman 1997: Ch 2). The economic experiences of women have like those of men varied significantly by
race and ethnicity. (Amott & Matthaei 1996; Kessler-Harris 1982; Milkman 1985; Jones 1985)

In the face of class struggle, these employer divide and conquer strategies have been effective methods to split workers into competing groups that have enhanced capitalist exploitation and rates of profit. Although predating historically the development of capitalism racism and sexism have been modified in ways that not only have perpetuated discrimination but enhanced capitalist exploitation and rates of profit.

Racism and sexism have established ceilings that both prevent inter-class mobility and keep people of color and women in subordinate positions within classes. Table 2 shows that much higher percentages of women and people of color are found within the working class with much lower representation than white males within middle and capitalist class positions.

<table>
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<tr>
<th>RACE AND GENDER</th>
<th>CLASS STRUCTURE</th>
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<tbody>
<tr>
<td></td>
<td>WORKING CLASS</td>
</tr>
<tr>
<td>BLACK FEMALE</td>
<td>92%</td>
</tr>
<tr>
<td>BLACK MALE</td>
<td>88%</td>
</tr>
<tr>
<td>WHITE FEMALE</td>
<td>76%</td>
</tr>
<tr>
<td>WHITE MALE</td>
<td>65%</td>
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</table>

Bowles and Edwards 1993: 258

We can view these racial and gender distributions across class as the result of socially imposed ceilings/floors within a single class structure that prevent some from rising about certain levels and that
keep others (whites/men) from falling below (Baron 1985). Given the high degree of racial segregation in the U.S. (Massey & Denton 1993) there are also different class structures within different racial/ethnic communities (Boston 1985).

Capitalism has taken patriarchy (sexism) and racial domination (white racism), and used it to serve capitalist interests. In addition, capitalism strengthens patriarchy by keeping women economically dependent upon men (husbands), while patriarchy strengthens capitalism by providing a large pool of unpaid and low paid female labor (Kessler-Harris 1982). Similarly white racism divides workers preventing class unity thus enhancing capitalist power and control, while lower wages and higher unemployment for non-whites perpetuate racist stereotypes on which racial domination is based. Capitalism and discrimination have thus been systemically related in the U.S. (Albelda, Drago, Shulman 1997: Ch 7-8; Marable 1983).

4. Wealth and Income Distribution: Although the extent of inequality varies widely across capitalist countries (among advanced capitalist countries it is greatest in the U.S.), inequality in the distribution of income and wealth found in capitalist societies is in large part a product of the class structure of power.

Wealth distribution data reveals a tremendous disparity of wealth holdings in the U.S. A very small percentage of people in the U.S. own more property than the combined assets of the overwhelming majority of people. The richest 1% of families own 45% of all
nonresidential real estate, 62% of all business assets, 49% of publically held stock, and 78% of all bonds. The wealthiest 10% of U.S. families own 80% of all nonresidential real estate, 91% of all business assets, 85% of all stocks, and 94% of all bonds. This is more than the entire combined wealth holdings of 90% of U.S. families (Folbre: 1.4). To qualify as one of the Forbes 400 richest USers you would have had to have a net worth of at least $415 million in 1996. The wealthiest individual (Bill Gates) had a net worth of $18.5 billion and the average for this prestigious group was $1 billion (Forbes, October 1996).

When we take explicit account of race as well as class the economic effect of racism is quite stark. The Forbes 400 has very few members who are not men and even fewer who are not white. Historically the wealth of African Americans has been significantly lower than white families because of slavery, discrimination, and low incomes. In the last 15 years the ratio of white wealth has grown from eleven to twenty times the median wealth of non-white families (includes Hispanic and other non-whites). The median 1992 net worth of white families was $62,065 compared to $5,501 for Hispanic and non-white families (Wolff 1995: 2,71).

The vast amount of wealth held by the owning class is the accumulated economic surpluses produced by the labor of generations of working people and appropriated by a primarily white male owning class. This wealth has become more and more concentrated over the last 20 years with fewer and fewer people controlling more and more
of the economic wealth of society (Wolff 1995). We can get a greater sense of this if we take a look at the annual flows of income by class, race, and gender that feed these tremendous disparities in accumulated wealth holdings.

Table 3 shows a high degree of income inequality and since 1979 income inequality has grown with the richest fifth of U.S. families taking 46.5% of total income. This has been at the expense of four fifths of families whose incomes shares have been declining, for the poorest fifth to 4.4% of total income. When we break down the top fifth we see that income is further concentrated within the top 5% of families.

Table 4 below reveals more clearly the extent of income inequality:

<table>
<thead>
<tr>
<th>1994 FAMILY INCOME DISTRIBUTION BY CUMULATIVE PERCENTAGE</th>
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<td>$100,000 and over</td>
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<td>$ 99,000</td>
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When we examine this data we see that only 8.4% of U.S. families can claim incomes greater than $100,000. These families have seen their real incomes increase at a whopping rate, the top 1% by 87.5% from 1979-1989, while the bottom 40% has seen their real incomes fall over the same period of time (Mishel, Bernstein, & Schmitt 1997: 60).

The major factor that accounts for the differences between very high incomes and the rest is property (wealth) ownership. For the richest 10%, the capitalist class, the primary source of income is from profit, dividends, interest, and rents, i.e., from property and financial holdings. Extremely high salaries for top executives also contribute to the incomes of this class. In 1997 the average total CEO pay in major U.S. companies was $7.8 million which was 326 times more than the average worker got paid. The highest paid CEO that year received $230.7 million (Business Week April 22, 1996: 102).

The working class majority has seen their inflation adjusted (real) incomes fall over the last 25 years. In 1995 the real average weekly earnings for all non-supervisory workers was $395.37, about $17,000 annually. This is less than workers were making in 1972! Many working families have more than one income earner bringing the average working class family up the to the low $20,000 level. Working class incomes range upwards for highly skilled workers who earn in the $35-40,000 range, however, these workers are the exception rather than the rule.
At the other end, working class incomes range down to the poverty level. There are currently an estimated 1 million homeless people in the U.S., many of whom are families with children. Currently there are about 32 million (13.5% of the population) living below the official government established poverty line ($15,569 for a family of four in 1995), an income level many think is below the real poverty line. A more realistic definition would place between 20-25% of U.S. families below the poverty line (Mishel, Bernstein, & Schmitt 1995: 298ff).

While many are poor because they cannot get jobs or cannot work (disabled, children, and elderly), most of the poor in U.S. who could work do work either part time or full time. With many part time jobs and low paying minimum wage jobs, capitalism seems unable to generate enough jobs that pay a livable wage. The recent corporate trend of replacing full time with contingent workers is exacerbating this trend (Tilly 1996). However, low wages are not intrinsic to the job, rather wage rates are kept low by those who set wages, the owners/executives of corporations. Low wages for some means higher profits and executive salaries for others. The results of class power and exploitation are clearly evident here.

When the income distribution among racial/ethnic groups and across gender are examined even further inequality exists. The median family income in 1995 for black families was 60.9% of white family income and for Hispanic families it was 57.6%. The median family income for whites in 1995 was $42,646 compared to $25,970 for blacks and $24,570 people of Hispanic origin (Mishel, Bernstein, & Schmitt 1997: 49). Women do not fare much better. The median family income of single female-headed households which constitute 18% of all households was $19,691 in 1995 compared to $30,352 for single male-headed households. The real median hourly wage gender gap has improved over the last 15 years but remains high at 76.7% in 1995. Most (82.1%) of the decrease in gender inequality is not the result of improved wages for women but rather the decline in male wages (Mishel, Bernstein, & Schmitt 1997: 51,148).
The very high poverty rates for both women and people of color further documents the economic effects of race and gender. In 1995 30% of blacks and Hispanic people were poor compared with only 11.2% of whites. The poverty rate for single female-headed households in 1995 was 36.5% compared to 13.8% for all households. Poverty rates for children are higher for all racial/ethnic groups, but the child poverty rate for children of color is much higher at 40% than for white children (Mishel, Bernstein, & Schmitt 1997: Ch 6).

The tremendous income and wealth inequality in the U.S. is the result of the fact that the dominant capitalist class (and to a lessor extent the middle classes) are able to claim vastly disproportionate shares of the economic pie for themselves. They have the power to determine income shares based on their ownership of the means of production and position in the corporate hierarchical organization. Within these class-based hierarchies racism and sexism further privileges whites and men across and within all class structures. Inheritance allows the transfer of wealth and privilege from one generation to the next perpetuating inequality over time. This includes the inheritance of cultural capital which gives the children of owning and middle class families, and males and whites, clear educational advantages in securing positions of economic privilege (MacLeod 1995: Ch 2; Weiler 1988).

Although capitalists are constrained to a certain extent by markets, power is the main determinant of income distribution. Employees who have some bargaining power with their employers (e.g., unionized or highly skilled workers) will do better than those who do not have such power. However, if wages and salaries cut too deeply into the capitalist rate of profit, as we have seen the safety valve of unemployment will always restore capitalist domination and profits. Highly paid skilled workers can be replaced with cheaper and more easily controlled machines (automation). Skilled jobs can be broken down into a series of repetitive routine tasks, a process called deskilling that reduces the need for highly paid skilled workers. These strategies insure very low
incomes for the majority of employees and account for the highly unequal distribution of income in a capitalist system.

The worsening of this distribution in recent years reflects a shift in the balance of power away from workers to the owning and middle classes, and away from the United States to the other national centers of capitalist accumulation. Explaining these shifting fortunes requires an understanding of the political economic dynamics of capitalism (see for example Bowles & Edwards 1993), particularly the most recent trends in globalization, deindustrialization, and the forces of economic destabilization. (See for example Greider 1997). The effect of all this on the average working class family in the U.S. is shown dramatically below:

![Graph showing economic changes](image)

Albeda, Drago, & Schulman 1997: 12

The greatest adjustment costs resulting from these structural changes have been imposed on people of color and women (Wilson 1996; Amott 1996). The reality of life for millions of working class families is one of empty pockets and empty dreams.

3. **Class and the Quality of Life**: The subordinate working class has little economic power and must settle for small and in many cases inadequate shares of what they have produced with their labor. When it comes to public services (education, health, police, sanitation, and recreational services), working class communities have far fewer services than middle class and capitalist class communities and in many cases
these public services are grossly inferior. This is in part the result of economic exploitation but also the ability of the corporate wealthy to influence public policy in their favor (Domhoff 1998).

The capitalist imposed division of labor has created jobs that for the majority of workers are alienating: repetitious, boring, physically difficult, dangerous jobs that offer workers little sense of self-esteem or chance of developing their full human capabilities (Tilly and Tilly 1998). The working class has less formal education than the middle class and schools rather than enhancing upward mobility wind up reproducing class divisions and inequality (MacLeod 1995). Most of the working class have completed high school and many have technical or trade school training. Some have significant amounts of informal education or on the job training, especially in the skilled blue-collar and pink-collar trades such as secretaries, electronic office workers, carpenters, welders, plumbers and machinists.

These jobs require a significant degree of intelligence in spite of a society that confuses linguistic ability with intelligence and looks down on people who work with their hands or who do not have college degrees (Blum 1978). Of all jobs 80% do not require college degrees. The working class does most of the skilled, semi-skilled, and unskilled labor in industry, offices, services, and farms. They build all the buildings and houses, construct our highways and build our water works and sewage systems. They manufacture automobiles, trucks, motorcycles, appliances, furniture, and other household furnishings and fixtures. They process most of the paperwork that keeps our society going. They cook for us, take care of our children, deliver our mail, drive us places, wait on us in restaurants, care for us in hospitals and nursing homes, and clean up after us. They are assembly line workers, janitors, maids, cooks, dishwashers, waitresses, postal workers, farm workers, truck drivers, clerks, secretaries, receptionists, electricians, welders, and machinists. They are a working class majority.
Under capitalism workers are used as a means to enhance capitalist profits and executive salaries. Although a minority have challenging and stimulating jobs, most working jobs are repetitious, mindless, and dangerous. Capitalism offers few the chance for self-development and individual growth through challenging work within the labor process, condemning millions to lives of boredom and drudgery. Work is also dangerous. Ten thousand workers are killed on the job each year and 300,000 die each year from occupationally related illnesses. Ten million people are injured on the job each year, 3 million seriously leaving 70,000 permanently disabled. Many of these deaths and injuries could have been prevented if employers put their workers health and safety before profits and high executive salaries.

Members of the working class experience little job security and experience frequent layoffs. In any given year the actual rate of unemployment is almost two times the official rate which excludes discouraged workers who have given up looking for work and counts those who can only find part time work as fully employed. Fully one-third of all workers experience some period of unemployment in any given year. Of those who are unemployed, only 36% in 1995 ever received any unemployment compensation and those who did still experienced significant reductions in their standard of living.

The many divisions placed between workers in the workplace isolates workers from each other, and labor markets force workers to compete with each other for scarce employment opportunities and far too few jobs that pay a living wage. Such divisions and competition pose barriers to solidarity and prevent workers from developing meaningful relationships (both on and off the job) and developing their cooperative abilities. As we have seen race and gender further divide the working class with women and people of color crowded into the lowest paying and hardest jobs and into jobs that are classified as “women’s” work.
IV. Intergroup and Personal Dimensions of Class and Classism

It is these economic struggles that form the underlying basis of classism. The actual content of class relations (class culture) is elitist, i.e., class oppression and privileges are defended on the basis of one person/group claiming to be more important, smarter, better, more deserving, more qualified, etc. than another person/group. These attitudes frame class behavior and thus inter-class social relations. The oppressed person/group (the working class) is viewed as less intelligent, less talented, inferior, and thus not worth very much. Such views can be patronizing ("they are doing the best they can") or they can be vicious ("working class people are stupid, dirty, lazy, and uncivilized").

Classist patterns and attitudes such as these are the source of much prejudice and have been used to denigrate and discriminate against working class people, and to rationalize current and past oppression of millions of people the world over. Widespread anti-union sentiments, attacks on welfare and the poor, and negative media stereotypes of working class people, especially TV sitcoms, are examples of classism in action (Puette 1992; Bullock 1995: 127-130).

Such individual classist beliefs and attitudes frame inter-class relations (behavior), and they facilitate the systematic economic exploitation and oppression of working people. The objective structures of class oppression and exploitation require, on a subjective level, socially held classist beliefs and attitudes. On a social level, individually held beliefs are rooted in a cultural belief system, a classist ideology which rationalizes class oppression as just and equitable. In the U.S. it is a cultural belief in the ideology of individual achievement, the myth of meritocracy, where anyone can make it if they work hard, that individuals rise on the basis of their own individual effort and ability. Success honors those who make it and failure stigmatizes those who fail.

1 The reader is referred to Barone 1998 for a much more complete development of these ideas and further documentation.
Although cast in terms of individuals and equal opportunities, this ideology is classist. It casts working class people as inferior and incompetent, and middle and owning class people as superior. It allows people to rationalize and ignore class oppression, to see and understand the social universe as merely the result of individual interaction, and to view class oppression as “normal” and a “natural” part of a secular or divine order. *The Bell Curve*, the recent best-selling book by Herrnstein and Murray, is an attempt to renew and legitimate this view in the face of currently growing class and racial inequality and bigotry (Fischer, et al. 1996).

There are many powerful studies of gender and race supporting the position that while biology (nature) does play some role in explaining gender and racial differences, environment (culture) plays a far more powerful role in explaining social differences. Although studies on the causes of class differences are not as extensive, there is some evidence and every reason to assume that class inequality and class differences are not reflective of natural or innate differences, but are acquired and socially constructed (Argyle 1994). Rather than being part of our innate nature, class differences are culturally constructed and socially enforced by classism.

At the personal or individual level, the internalization of classist beliefs, attitudes, and behavior is the result of a socializing and conditioning process which consists of installing on individuals patterns of behavior, mannerisms, and beliefs that insure conformity to class roles. To occupy such roles people have to be conditioned. Acting out or occupying these roles requires that we give up part of our uniquely human qualities, of choosing our own identities. We are given the choice as young children to play out our socially expected role(s), a painful process at best, or get punished with far worse. If you are female and act like a boy, or white and act black, or owning class and act working class, if you resist role conditioning, you risk humiliation and isolation, being ostracized and subjected to emotional and physical abuse. Material success and economic security are hold out as rewards in return for occupying oppressor roles, replacing genuine human needs with an artificially created materialism which
serves both to keep people in their socially constructed roles and fuel capitalist accumulation.

Role conditioning begins at birth, extends through young adulthood and is then reinforced throughout adulthood. As a result of this social conditioning many of the working class internalize negative beliefs and stereotypes about themselves. We are bombarded daily with thousands of subtle and not so subtle messages about ourselves and others. These classist messages have a powerful affect on people, making the social construction of reality appear as the natural state of human beings. Classism experienced on a daily basis by working class people reinforces class conditioning. Working class people tend to view themselves and be seen by others as not very smart or stupid, uneducated and inarticulate, poor leaders, lacking in ability and lazy, crude and uncivilized. But they view those in the middle and owning class as superior and more intelligent, ambitious, with greater poise, self-confidence and leadership (Argle 1994:Ch 9).

This is called internalized oppression and as a result many become resigned to their class fate. Members of oppressed groups are emotionally, physically, and spiritually abused until they begin to believe that oppression is their lot in life, that it is somehow deserved, natural, right, or conversely, that it does not exist (Yamato 1995:66). Internalized oppression insures the perpetuation (reproduction) of the class system from one generation to the next. Class oppression, like racism, requires that individuals internalize class domination and subordination and to the extent that we do we become resigned to our fates. Although there is mobility (up and down), class stability is the norm (MacLeod 1995; Michel, Bernstein, & Schmitt 1997: 97ff) Even those who fight back and rebel often wind up reproducing the very class system they are rebelling against (Willis 1977).

VII. Summary

Classism, rooted in the capitalist macrolevel class structures of economic exploitation, pits humans and against humans. The whole purpose of classism as an
ideology is to justify past and continuing exploitation and alienation of the working class. It is not so much that people are in fundamental conflict with each other, as it is that capitalism structures our personal and social relationships with each other in ways that are fundamentally in opposition. By understanding these political economic structures of class exploitation and conflict, and the dynamics of class-based economic systems, we can understand better the nature of class oppression as well as the class-based nature of women’s oppression and the oppression of people of color.

Class is more than just economics, and the personal and social dynamics of classism are equally important dimensions to be understood. Class patterns of thinking and behavior at the personal level hold classism in place at the inter-group mesolevel and account for the on-going class bigotry and prejudice experienced by the working class. Pumping surplus labor out of workers (exploitation), the raison d’etre of classism, could not exist without classism anymore than the oppression of people of color or women could exist without racism and sexism.

Bringing class oppression to an end, requires the elimination of classism on all social levels including changing the macrolevel structures of capitalism so that power and decision-making are shared in a way that prevents exploitation based on class, race, or gender and allows for political as well as economic democracy. On a personal level freeing ourselves from classism requires reversing the condition process through healing the emotional wounds of class oppression, reclaiming our past and present class experiences, and sorting out how classism presently and in the past prevents us from being ourselves, from shaping our own identities, and from having the kinds of relationships we want with all people. Our goal is to create a society that is free of classism and that is democratic, equitable, and humane.
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