The Stories About Inequality That We Love to Tell

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There is a growing consensus among academics, policy makers, and even politicians that poverty and inequality should no longer be treated as soft social issues that can safely be subordinated to more fundamental interests in maximizing total economic output. The most important sources of this newfound concern with poverty and inequality are (1) the spectacular increase in economic inequality and other forms of disadvantage in many late-industrial countries (the takeoff account); (2) the striking persistence of many noneconomic forms of inequality despite decades of quite aggressive egalitarian reform (the persistence account); (3) an emerging concern that poverty and inequality may have negative macrolevel effects on terrorism, total economic production, and ethnic unrest (the macrolevel externalities account); (4) a growing awareness of the negative individual-level effects of poverty on health, political participation, and a host of other life conditions (the microlevel externalities account); (5) the rise of a global village in which regional disparities in the standard of living have become more widely visible and hence increasingly difficult to ignore (the visibility account); (6) the ongoing tendency to expose and delegitimate new types of inequalities (based on sexual orientation, disability, or citizenship) that, not so long ago, were taken for granted, rarely discussed, and rarely seen (the new inequalities account); (7) a confluence of recent events (e.g., Hurricane Katrina, the Great Recession, and high pay for poorly performing CEOs) that have brought poverty and inequality into especially sharp relief (the idiosyncratic account); and (8) a growing commitment to a conception of human entitlements that include, at minimum, the right to seek or secure employment and thereby be spared extreme deprivation (the social inclusion account).

The foregoing list is remarkable in two ways. First, only three of the eight reasons for this newfound interest are about the brute empirics of inequality (i.e., its growth or intransigence), while all others are about changes in how we have come to view, study, and evaluate those empirics. When scholars now argue, for example, that inequality has multifarious effects (i.e., an externalities account), they presumably don’t mean to suggest that such effects suddenly multiplied in the contemporary period. Rather, we are to understand that inequality was always rife with externalities, however inadequately we may have appreciated them in the past. Although changes in empirics hardly exhaust, then, the sources of our growing concern with inequality, this is not to gainsay the equally important point that such changes, especially the takeoff in income inequality and the Great Recession, are likely very important in explaining why inequality has come to be understood as a fundamental social problem of our time.

The above list is in no less remarkable for the relatively minor role that normative concerns play. To be sure, there appears to be a growing sentiment that, at minimum, contemporary social systems should guarantee an opportunity for all citizens to participate in economic life and hence avoid the most extreme forms of social and economic exclusion (i.e., the social inclusion account). It would nonetheless be a mistake to understand the rising interest in poverty and inequality as principally fueled by some new realization that social inclusion is a fundamental social good. Indeed, far from treating inequality as a moral problem in itself, the contemporary tendency is to emphasize its profound consequences and threats for the world community as a whole (i.e., the macrolevel externalities account). The rhetoric of sustainability, although more frequently featured in discussions of environmental problems, is increasingly taken as relevant to discussions of inequality as well. In adopting this rhetoric, the claim is that extreme inequality is counterproductive not just because it reduces total economic output but also because other very legitimate objectives, such as reducing morality rates, might also be compromised. By this logic, social policy must simultaneously be oriented toward increasing economic output and restraining the rise of debilitating and counterproductive forms of inequality, a rather more complicated maximization problem than conventionally taken on in economics (see Ch. 3, Fischer et al.; and Ch. 4, Krueger).

The Role of Benign Narratives in Past Scholarship

The foregoing orientation toward poverty and inequality should be understood as a sea change relative to the sensibilities that prevailed after World War II and even into the 1960s and 1970s. To be sure, the standard-issue sociologist of the past also embraced the view that inequality was an important social problem, but overlaid on this sensibility was an appreciation of various logics of history that operated in the main to reduce inequality, if only gradually and fitfully. The problem of inequality was understood, then, as a tractable moral problem, an unfortunate side circumstance of capitalism (and even socialism) that would become yet more manageable with the transition into the increasingly affluent forms of advanced industrialism. This orientation toward inequality, which we characterize as "benign," is expressed in the standard postwar narratives about three types of outcomes: (1) the distribution of income, power, and other valued resources; (2) the distribution of opportunities for securing income, power, and other valued resources; and (3) the formation of social classes and other institutionalized groups (e.g., racial groups and gender
The Long-Term Trend in Inequality

The dominant inequality narrative of the postwar period featured the emergence of egalitarian ideologies and the consequent delegitimation of the extreme forms of inequality found in agrarian systems (e.g., Bell 1973; Kerr et al. 1964; and Parsons 1970). The Enlightenment was understood as fostering a critical rhetoric of equality that unleashed one of the most profound revolutions in human history. The resulting decline in inequality can be seen, for example, in (1) the European revolutions of the eighteenth and nineteenth centuries against the privileges of rank (horizontal equality); (2) the gradual diminution of inequalities in the right to vote, own property, and speak and assemble (civil equality); (3) the abolition of slavery and the establishment of the radical egalitarian principle of self-ownership (equality of human assets); and (4) the equalization of economic assets via the rise of socialism, welfare capitalism, and their many institutions (economic equality).1

As is well known, the latter commitment to equalizing economic assets was rather weaker than the commitment to other forms of equalization, with the result that economic inequalities remained extreme in all market economies. There was nonetheless a decline in economic inequality throughout the postwar period in the United States. According to the classic Kuznets curve (1955), the initial stages of capitalist development bring about an increase in income inequality as capital is increasingly concentrated among a small number of investors, whereas more advanced forms of capitalism entail a growth in the size of the middle class and a consequent reversal of the upward trend. The causal dynamics behind the resulting inverted-U pattern remain unclear (see Acemoglu and Robinson 2002), but most sociologists attribute the late-industrial decline in inequality to the increasingly crucial role that the skilled working class played in production, the associated growth in working-class productivity, and the leverage that this growth in skills and productivity conferred on skilled workers.

The careful reader might inquire as to the mechanisms by which cultural egalitarianism of this sort diffused and takes hold. The conventional view in this regard is that a series of crucial historical events after the Enlightenment (e.g., the defeat of Nazism) served to define equality as one of our core cultural commitments. Absent some revolutionary event that changes this cultural trajectory, the course of human history then becomes the working out of this commitment, a task that involves shedding subsidiary values that sometimes come into conflict with our deeper commitment to egalitarianism. The core mechanism that drives this cultural diffusion may therefore be understood as the gradual reconciling of competing values to a new value, that of equality, that has been elevated by one or more historical events to a position of prominence.

The Long-Term Trend in Inequality of Opportunity

The second narrative of interest rests on a sharp distinction between the distribution of social rewards (e.g., income) and the distribution of opportunities for securing these rewards. In liberal welfare regimes, extreme inequalities in rewards may be tolerated, but only insofar as opportunities for attaining these rewards are understood to be equally distributed. It is inequalities of opportunity that are regarded, then, as especially illegitimate in the context of liberal welfare regimes.

This economic subnarrative works in tandem with a second organizational one that emphasizes the diffusion of modern personnel practices in the form of universalistic hiring practices (e.g., open hiring and credentialism) and bureaucratized pay scales and promotion procedures (see Ch. 17, Weber; Ch. 11, Charles and Grusky; and Reskin and McBrier 2000). The essence of such bureaucratic personnel practices is a formal commitment to universalism (i.e., treating all workers equally) and to meritocratic hiring and promotion (i.e., hiring and promoting on the basis of credentials). In its ideal-typical form, the spread of bureaucracy becomes an organizational process with its own dynamic, a process of diffusion that rests not on actual efficiencies, as with the economic subnarrative, but simply on the presumption that bureaucratic practices are efficient and that modern firms must therefore adopt them. This subnarrative, like the economic one, implies that firms will gradually come to embrace organizational procedures that reduce inequalities of opportunity.

The third subnarrative of interest is the political one. Whereas the economic and organizational subnarratives treat change in inequality as an unintended by-product of macrolevel forces (i.e., competition and bureaucratization), the political subnarrative is about instrumental action explicitly oriented toward effecting a decline in inequality. In theory, such political action could be oriented toward reducing inequalities of either opportunity or outcome, but historically a main emphasis within liberal welfare regimes has been legislation aimed at reducing inequality of opportunity (e.g., antidiscrimination legislation, early education programs, and educational loans). The
The spread of such tastes for equal opportunity may again be viewed as part of our Enlightenment legacy, albeit a particular liberal variant of that legacy that emphasizes equalizing opportunities, not outcomes. This commitment is expressed not only at the individual level (e.g., changes in attitudes) but also at the collective level through various types of political reform (e.g., antidiscrimination legislation) as well as the diffusion of bureaucratic personnel policies (e.g., open hiring).

The Long-Term Trend in Class Formation

The final benign narrative of interest describes the gradual transition from lumpy class-based labor markets to more purely gradational ones (see Ch. 8, Chan and Goldthorpe; and Ch. 54, Jonsson et al.). Within this narrative, the early-industrial economy is represented as deeply balkanized into partly independent labor markets defined by detailed occupations (e.g., economist, carpenter), big social classes (e.g., manager, farmer), or yet more aggregated factors of production (e.g., worker, capitalist). For our purposes, what is principally of interest is our collective fascination with arguments describing how these classes, however they may be defined (see Wright 2005), tend to gradually dissipate and leave us with gradational labor markets that increasingly approximate the seamless neoclassical ideal. The first step in this transition, as described most famously by Dahrendorf (1959), is the gradual institutionalization of class conflict, a regularization of labor-capital relations achieved through the establishment of unions, collective bargaining agreements, and other laws defining how labor and capital should negotiate (see also Parsons 1970). The second step in this transition involves the dismantling of unions and other institutionalized residues of classes as the liberal welfare ideals of deregulation and flexibility are increasingly pursued.

This line of argumentation is somewhat differently expressed in more recent postmodernist narratives. Although the postmodern literature is itself notoriously fragmented, most variants have proceeded from the assumption that class identities, ideologies, and organization are attenuating and that "new theories, perhaps more cultural than structural, [are] in order" (Davis 1982, 585). The core claim is that politics, lifestyles, and consumption practices are no longer class determined and have increasingly become a "function of individual taste, choice, and commitment" (Crook, Pakulski, and Waters 1992, 222; see also Pakulski 2005).

In more ambitious variants of postmodernism, the focus shifts away from simply claiming that attitudes and practices are less class determined, and the older class-analytic objective of understanding macrolevel stratificational change is resuscitated. This ambition underlies, for example, all forms of postmodernism that seek to represent new social movements (e.g., environmentalism) as the vanguard force behind future stratificational change. As argued by Eyerman (1992) and others (e.g., Touraine 1981), the labor movement can be seen as a fading enterprise rooted in the old conflicts of the workplace and industrial capitalism, whereas new social movements provide a more appealing call for collective action by virtue of their emphasis on issues of lifestyle, personal identity, and normative change. With this formulation, the proletariat is stripped of its privileged status as a universal class, and new social movements emerge as an alternative and far more benign force "shaping the future of modern societies" (Haferkamp and Smelser 1992, 17).

New Approaches to Studying Inequality

The foregoing narratives, all of which were fixtures of the postwar intellectual landscape, describe the emergence of a world in which inequalities are less profound, opportunities are more equally distributed, and class conflicts and interclass differences become attenuated. These narratives are benign in the sense that they push us toward equilibriums that most commentators, even neo-Marxian ones, might well regard as appealing. The benign narrative is accordingly built on the happy correspondence between what should be and what will be.

If there is any theme to contemporary analyses of inequality, it is that the benign narrative has fallen largely out of fashion. We have nonetheless laid out these narratives in some detail because they still motivate some contemporary research (e.g., Ch. 51, Bren et al.), often provide an important backdrop to current theorizing, and are sometimes used as foils by contemporary scholars seeking to motivate their own analyses. The benign narrative is in this sense lurking in the background of contemporary discussions of inequality. We turn now to a closer discussion of how contemporary analyses of inequality have developed partly in reaction to the benign narratives of the postwar period.

Multidimensionalism and New Inequalities

As a natural starting point for this discussion, we note that contemporary inequality scholarship is increasingly concerned with new
forms of inequality, forms that either were ignored in the past or have been spawned by new technologies or institutions. This growing emphasis on new inequalities is consistent with the more fashionable view that inequality is multidimensional and that conventional studies of economic, socioeconomic, or cultural inequality hardly exhaust its many forms (e.g., Sen 2006).

If a multidimensional approach is taken, one might usefully distinguish between the eight forms of inequality listed in Table 1.1, each such form pertaining to a type of good that is intrinsically valuable (as well as possibly an investment). The multidimensional space formed by these variables may be labeled the “inequality space.” We can characterize the social location of an individual within this inequality space by specifying her or his constellation of scores on each of the eight classes of variables in this table.

This framework allows scholars to examine how individuals are distributed among the less conventionally studied dimensions of the inequality space. Are new assets as unequally distributed as old ones? Is inequality becoming more of an “all or nothing” affair in which upper-class workers are advantaged on all dimensions of interest and lower-class workers are disadvantaged on all dimensions of interest? Are new assets sometimes distributed in ways that compensate for shortfalls in old ones? In the present volume, multidimensionalist questions of this kind are posed for such “new” outcomes as health (Ch. 65, Scott; Ch. 66, Mullaly, Robert, and Wolfe), computer literacy (Ch. 69, Hargittai), imprisonment or capital punishment (Ch. 22, Western), and networks and social capital (Ch. 61, Granovetter; Ch. 62, Liu; Ch. 63, Burt; Ch. 64, Fernandez and Fernandez-Mateo). These new types of inequality may be understood in some cases as truly new divides generated by new technologies (e.g., the digital divide) or new social institutions (e.g., modern mass prisons). More typically, the “new” outcomes are just increasingly popular topics of study among academics, not truly new forms (e.g., health inequalities).

The Intransigence of Poverty and Inequality

The foregoing line of research typically takes the form of an exposé of the extent to which seemingly basic human entitlements, such as living outside of prison, freely participating in digital culture, or living a long and healthy life, are unequally distributed in ways that sometimes amplify well-known differentials of income or education. The continuing attraction of such exposés (at least among academics) may be attributed to our collective discomfort with an economic system that generates rather more inequality than is palatable under contemporary cultural standards. Although the equalizing reforms of social democracy have historically been a main solution to this tension, the declining legitimacy of such reforms (especially in Europe and the United States) leaves the tension an increasingly unresolved one.

Whereas the old narratives focused, then, on the forces making for decline in inequality, a more pessimistic assessment of the trajectory of late industrialism has now taken hold, and much scholarship accordingly focuses on documenting that inequality has persisted at higher levels than had been anticipated. This sensibility underlies, for example, contemporary research showing that residential segregation in the United States is so extreme as to constitute a modern form of apartheid (Ch. 19, Massey and Denton); that racial discrimination in labor markets likewise remains extreme (Ch. 28, Bertrand and Mullainathan); that the occupational structure is hypersegregated by gender (Ch. 44, Charles and Grusky); that income inequality has increased markedly in many countries over the past thirty-five years (Ch. 9, Saez; Ch. 10, Grusky and Weeden); that poverty rates in the United States remain strikingly high (Ch. 17, Smeeding); that African Americans are routinely harassed, slighted, and insulted in public places (Ch. 30, Feagin; Ch. 35, Bobo); that working-class and middle-class children tend to be raised in profoundly different ways (Ch. 68, Lareau); and that massive class disparities in access to health services persist (Ch. 65, Scott; Ch. 66, Mullaly, Robert, and Wolfe).

The cynic might ask whether this new muckraking tradition is really all that necessary. Is there really a large public that doesn't
already appreciate the persistence of many of these inequalities? We live, after all, in a market society in which virtually everything is commodified, meaning that almost all goods and services are allocated on the basis of our ability to pay for them. Because we are so deeply and (seemingly) irrevocably marketized, the real intellectual challenge would be to find a good, service, or outcome that is somehow untouched by class, one that is perfectly and equally distributed to all.

We suspect that our contributors would react to such (hypothetical) criticism by emphasizing that only some inequalities may be understood as the inevitable outcome of our collective decision to allocate resources on the basis of a market. It is at least possible to imagine markets that do not entail salient gender discrimination and encompass institutions that have a substantial inequality-modulating effect. It is likewise possible to imagine that class differences in politics, culture, and child-rearing practices would have by now abated. The benign narratives of the postwar period in fact laid our precisely such imaginings. If it is now clear that these imagined futures have not been realized, surely we need to document that conclusion with all the rigor that can possibly be mustered. To be sure, many of us well know that the world is a massively unequal one, but even so the force of the known can be readily lost when we live with profound inequality on a day-to-day basis. This commitment to remind us of what comes to be taken for granted is the cornerstone, we suspect, of the renewed interest in the inequality-documenting function.

The Rise of New and Less Benign Narratives

The rise of this muckraking exposé of inequality has been coupled, moreover, with increasing interest in developing narratives that explain why inequality has persisted or grown more extreme. These narratives are typically less grand than the quite encompassing narratives of the postwar period: that is, rather specialized narratives have recently developed around many of the various unit trends of interest (e.g., the expansion of income inequality), and rather little attention has been paid to developing some grand metanarrative that links these specialized narratives. The signature, then, of the contemporary narrative is this highly delimited focus, a commitment to developing a rigorously empirical foundation, and a special interest in identifying those more insidious social forces that undermine the benign narratives of the past.

By way of example, consider the historic rise in income inequality, a development that has spawned one of the most sustained efforts at narrative building of our time (see Ch. 10, Grusky and Weeden). As noted above, the classic Kuznets curve aligns nicely with the facts of inequality up to the early 1970s, but then a dramatic, unprecedented upswing in inequality in the post-1970 period made it clear that inequality history had not ended. We have since witnessed one of the most massive research efforts in the history of social science as scholars sought to identify the smoking gun that accounted for this dramatic increase in inequality.

Initially, the dominant hypothesis was that deindustrialization (i.e., the relocation of manufacturing jobs to offshore labor markets) brought about a decline in demand for less-educated manufacturing workers, a decline that generated increases in inequality by hollowing out the middle class and sending manufacturing workers into unemployment or the ranks of poorly paid service work. Although this line of argumentation still has its advocates, it cannot easily be reconciled with evidence suggesting that the computerization of the workplace is an important force behind the heightened demand for highly educated workers. Because of this result (and other supporting evidence), the deindustrialization story has now been largely supplanted by the converse hypothesis that "skill-biased technological change" has increased the demand for high-skill workers beyond the increase in supply, thus inducing a short-term disequilibrium and a corresponding increased payoff for high-skill labor. At the same time, most scholars acknowledge that this story is at best an incomplete one and that other accounts, especially more narrowly political ones, must additionally be entertained (e.g., Card and DiNardo 2002). Most notably, some of the rise in income inequality in the United States was clearly attributable to the declining minimum wage (in real dollars), a decline that in turn has to be understood as the outcome of political processes that increasingly favor proinequality forces. The same conclusion applies yet more obviously to the recent round of tax cuts in the United States.

The future of income inequality depends on which of these underlying mechanisms is principally at work. The silver lining of the deindustrialization story is that within-country increases in inequality should be offset by between-country declines (as poor countries profit from new manufacturing jobs), whereas the silver lining of skill-biased technological change is that the heightened demand for high-skill workers is presumably a onetime short-term disequilibrium that will, by virtue of the higher payoff to high-skill jobs, trigger a compensating growth in the supply of high-skill workers. There is, unfortunately, no shortage of competing stories that imply more disturbing futures, even futures consistent with a classical Marxist account in which low-skill workers are emiserated within some countries by virtue of a globalization-induced race to the bottom.

We have focused on the rise of income inequality and the various narratives it has generated only because this literature is especially well known and central to the field. The larger point that we seek to make is that, no matter the subfield, there appears to be much interest in developing narratives that explain why long-standing declines in inequality have slowed down, stalled altogether, or even reversed themselves. We are referring, for example, to (1) narratives of globalization that describe how the liberalization of financial and capital markets has harmed poor countries (Ch. 70, Stiglitz); (2) narratives of deindustrialization that describe the loss of inner-city jobs and the associated rise of an urban underworld (Ch. 18, Wilson); (3) narratives of segmented assimilation that describe the relatively bleak prospects for at least some new immigrant groups (Ch. 26, Portes and Zhou); (4) narratives of "opting out" that have highly trained women eschewing stressful careers in favor of recommitting to their children, spouses, and domestic responsibilities (Ch. 38, Belkin; cf. Ch. 39, Stone); and (5) narratives of essentialist segregation that describe how sex-typed occupational ghettoes continue to be built around presumed differences in male and female aptitudes (Ch. 44, Charles and Grusky). Although counternarratives of the more optimistic sort are also being developed (e.g., Alba and Nee 2003; Ch. 71, Firebaugh; and Ch. 51,
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If these nonempirical interpretations shouldn't be dismissed out of hand, neither should they be taken too seriously. It is relevant in this regard that many of the pessimistic narratives involve indubitably dramatic changes in outcomes (e.g., income) that were frequently studied well before any reversal in the trend line was detected. Although some of the pessimistic narratives featured in this volume are still in incipient form and are not yet well researched, it will of course be difficult to continue to maintain these narratives should strong disconfirming evidence turn up. The implication, then, is that our exaggerated taste for pessimism might conceivably lead us to cycle through a great many pessimistic stories (and fail to develop enough benign ones), but at least in the long run the usual rules of evidence will have us excuse egregiously flawed narratives, no matter how benign or pessimistic they may be.

NOTE
1. This is not to suggest that all postwar sociologists and social scientists emphasized forces making for a decline in inequality. However, even when a benign narrative was not adopted, there was usually some effort to engage with it and to explain or defend the decision not to take it up. This defensiveness was especially apparent in neo-Marxian analyses of the postwar era. Although such analyses were based on deeply pessimistic subnarratives about the trajectory of capitalism, these subnarratives were typically attached to larger and more benign narratives about the postcapitalist trajectory (see Ch. 5, Marx; and Ch. 6, Wright).

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