

Topic 4

SPECIFICATION AREA

Changes in structures of inequality, including globalisation and the transnational capitalist class, and the implication of these changes

It is frequently argued that class is becoming less important in the UK but in the following pages we will consider what, if anything, has changed. We will look in detail at the various social groups in terms of class, gender and ethnicity and look at changes. Postmodernists argue that consumption and lifestyle choices have changed our class identities. We will now look at the evidence for and against this view. Others argue that class has fragmented, whilst Marxists consider class to still be the most dominant factor in life.

Social groups in modern Britain

The upper class

One aspect of the upper class is the amount of wealth and income its members possess. There are different sources of wealth and income. Some people inherit their wealth and the income that derives from it; others earn both their wealth and their income. However it is gained, the upper class is wealthy and this wealth leads, in Weberian terms, to both status and political power – which he called ‘party’. This has led, in some cases, to the formation of political and financial elites. However much postmodernism suggests that individuals can choose their identity, it is not possible just to choose to be rich.

Ruling elites

Elite theory suggests that a small group in the UK has maintained its position through control of the political life of the country, and indeed, until the extension of voting rights to all people over 21 in 1929, this may have been true. Now it is suggested that their power is somewhat more diffuse.

Writing from a Marxist perspective, Westergaard and Resler (1975) have suggested that the private ownership of capital provides the key to understanding class divisions in the UK. Since the whole ideology of the UK is a capitalist one, the system will work in favour of those who own the means of production or who control the financial institutions that make the major decisions concerning life in the UK. This group makes up the elite.

However, Saunders (1990), writing from a New Right perspective, has disputed this notion of a wealthy ruling elite. He maintains that much wealth is now bound up in pension funds: anyone with a private or work pension is bound to have an interest in the workings of capitalism since their hard-earned pensions are invested in the stock market. Therefore, he argues, the capitalist class has ‘fragmented into millions of tiny pieces’ spread across society. Nevertheless, this ignores the role played by financial institutions in controlling these pension funds, and the large incomes of the managers and chief executives of such institutions.

Evidence from the Sutton Trust reveals that political and economic power is, on the whole, maintained across generations through the class system. There is a tendency for members of these elites to intermarry and then to educate their children at fee-paying schools, send them to Oxford or Cambridge University, and encourage them to marry within the group. The Conservative government of 1959 and the Conservative-led Coalition government of 2010 show remarkably similar characteristics in this regard. Work by Bond (2012), looking at the current House of Lords, would suggest that these elite characteristics are still prevalent in today’s society.

The elite consists of a small group that holds great power and privilege in society.

The establishment

Jones (2014) suggests that these old elite groups have been replaced, in Britain at least, by what he refers to as the **establishment**. Whilst containing many of those previously thought of as the elite, what binds it together is no longer family or education but a political ideology, a deep belief in the free-market economy. This leads them to maintain that the only way that the UK can hope to compete in an increasingly competitive and globalized world is by reducing the role of the state and cutting down on welfare provisions. However, Jones maintains, the reduction in welfare only applies to the working class. Big business continues to enjoy subsidies from the tax-payer and he cites the examples of the bank bail-outs of 2008 and the continuing subsidies to the privatized rail companies. Indeed, it could be argued that even such apparent welfare benefits as working tax credit help the employer rather than the employee since they allow the employer to pay minimal wages whilst knowing that the state will provide this top-up. Even the proposal in 2015 to raise the minimum wage to the living wage included tax breaks for large employers who would be affected by the change, though small employers were offered no such safeguard.

This elite group consists not only of big business, bankers and politicians, but also media owners, accountancy firms, the arms trade, the lobbying industry and many foreign oligarchs who have found in Britain a safe tax haven for their wealth. Shared interests are more important than shared backgrounds.

The **establishment** refers to an elite group of people with a belief in the free-market economy whose shared beliefs and financial interests bind them together.

Activity

- 1 Working in pairs, and using the internet and a source such as *Who's Who*, see how much you can find out about the directors of the major pension funds. (Start with the directors of groups such as the Prudential, Standard Life, and Aviva – all of which provide personal pension plans.)
- 2 Do your findings lend credibility to Saunders's theory, or do the directors still tend to come from the privileged social groups which make up the majority of top earners in financial institutions?

The middle class

In the past, the distinction between middle and working class was the distinction between non-manual and manual work. However, how are jobs defined? Is typing, or inputting data at a computer, manual or non-manual? In so far as hands are needed, it is manual; in terms of working conditions, it is far removed from working on a building site or other traditional manual work.

Weber suggested that it is probably more useful to consider life chances in distinguishing between the two groups. On the whole, non-manual work tends to take place indoors, in pleasant working conditions, with shorter hours, more job security, more fringe benefits and better promotion prospects. Non-manual workers also enjoy better health and better standards of health-care, live longer, are less likely to be convicted of a crime, own their own home and retire earlier than manual workers. There has also been a consistent gap between the earnings of manual and non-manual workers throughout the twentieth century.

However, during the course of the twentieth century, this very diverse group of non-manual workers, whose occupations range from university professors to routine call-centre workers, have become divided into different groups with different interests. Many of these jobs have lost skills which they once had and, it could be argued, have become **proletarianized** (see page 334). It now makes more sense to talk of the **professions** and the lower middle class as two quite distinct groups.

Proletarianization is the process whereby other groups take on the attributes a characteristic of the proletariat.

The **professions** are those types of occupation which are self-governing and generally of relatively high status.

The professions

Professional groups grew in numbers throughout the twentieth century, from 4 per cent of the working population in 1901 to more than 20 per cent by 2011. Most commentators divide professionals into two groups: higher professions, such as judges, barristers, solicitors, architects, doctors, dentists, accountants, university lecturers, scientists and some engineers; and lower professions, which include schoolteachers, nurses, social workers and librarians.

Higher professionals, such as lawyers, medics and chartered accountants, have mostly been rewarded with relatively high levels of pay. Explanations for this depend on the theoretical perspective of the commentator. Functionalists such as Parsons (1967) and Barber (1963) contend that professionals have four attributes that distinguish them from other workers and thus justify higher rewards:

- 1 *They hold a body of knowledge* about their field of work which can be applied to any situation that arises.
- 2 *They have a concern for the interests of the community* rather than self-interest. The primary motivation of all professionals is to serve the public, not to get rich.
- 3 *Professionals' conduct is always guided by a code of ethics*, which is maintained and upheld by a professional body to which they must belong if they wish to continue to practise. Should they break the code of ethics, they may be barred from practising their skill.
- 4 *The high rewards are a result of their prestige* and the high regard they are held in by the community they serve.

Critics of the functionalist view argue it makes huge assumptions about professionals – for example, in the claim that they serve the whole community rather than just a section of it, and that they are public-spirited rather than in it for the money. Weberians would suggest that professions are occupational groups that have succeeded in controlling the labour market to their own advantage.

Parry and Parry (1976) argue that professionals and professionalism have the following attributes.

- 1 By controlling the training and entry requirements necessary for membership, professionals control the supply of qualified practitioners at a level that will guarantee high fees. Rarity means they can charge more.
- 2 By forcing all members to belong to the professional association, the group can claim to be maintaining the highest public standards; by demanding the right to investigate and punish their own members, they make it difficult for outside scrutiny to take place.
- 3 Professionals have, on the whole, managed successfully to claim that only their members are qualified to carry out this work. The monopoly enjoyed by lawyers and doctors, for example, is backed by law; it is a criminal offence to impersonate a doctor, and only solicitors have the right to carry out certain legal procedures.

Because of this market strategy – that is, closing access to the group and restricting their numbers – professionals have become wealthy and secure. Lower professionals, such as teachers, are, in the eyes of Parry and Parry, not really professionals at all, since they do not have the market control enjoyed by doctors.

Activity

- 1 From the list of occupations below, pick out the ones that Barber would regard as professionals, and the ones that Parry and Parry would regard as professionals:
 - *University lecturers*
 - *Nursery nurses*
 - *General medical practitioners*
 - *Surgeons*
 - *Solicitors*
 - *Primary school teachers*
 - *Bank clerks*
 - *Nurses*
 - *Airline pilots*
 - *Army officers.*
- 2 From your own experience, which of the above groups would consider themselves to be professionals?
- 3 What does the difference in the three lists you have compiled tell us about the status of professionals in the UK today? Give reasons for your answer.

The lower middle class

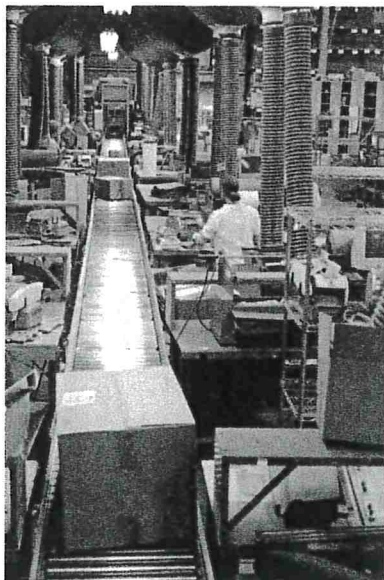
The lower middle class consists of routine white-collar workers, such as clerical workers, secretaries and call-centre workers. Their jobs have changed so much, however, that some sociologists speak of proletarianization, others claim they are still part of a distinctive middle class, and a few suggest they are now a distinct group somewhere between the middle and the working class.

The theory of proletarianization is most associated with Marxists such as Braverman (1974), who suggested that, although the number of white-collar jobs has grown enormously, the skill needed to do the job has declined. Early clerical workers were able to run all aspects of the small company that employed them. As companies grew larger, each clerical worker took over one part of the operation and specialized in it. However, workers were only able to carry out that one specialism and, if the need for it disappeared, they became redundant. That is to say, they had become deskilled. Automation and computerization have both continued the process of **deskilling**. Braverman says that, in an age of mass literacy and numeracy, the work of white-collar workers can be done by almost anyone, and they are no better-off, in bargaining terms, than manual workers. Computerization has now entered every sphere of work – even in personal care settings, records are kept on computers, so literacy and keyboard skills have become an essential element for working in many occupations.

Stewart et al. (1980) found that there is a high rate of turnover and promotion amongst male clerical workers. By the age of 30, 51 per cent of men who started out as clerical workers have been promoted into management, and 30 per cent leave clerical work altogether before they are 30. For men, clerical work is merely a stage in a career path. However, Crompton and Jones (1984) show that, although this may be true for men, the vast majority of clerical workers are now women. In their study of three workplaces, they concluded that, for the women employed there, the work was lacking in skill, they had no control over their work and that, therefore, the female clerical workers could be labelled a white-collar proletariat.

The middle class or the middle classes?

Sociologists disagree about whether it is accurate to talk about the middle class or the middle classes. Giddens (1973) argues that there is one middle class whose members are distinguished from those in the upper class because they do not own 'property in the means of production'. They are also distinguished from the working class by the fact that they can sell their mental labour power rather than just their manual labour power because they possess educational or technical qualifications. However, groups such as electricians and plumbers also increasingly have technical qualifications, but are still considered by most to be manual workers.



Mechanization and automation have led to widespread deskilling and the loss of many jobs. In such a situation, who stands to lose and who stands to gain?

Deskilling is the situation in which the skills and knowledge previously needed to do a job are no longer required. A good example would be in printing photographs which used to need four specialized workers, but can now be done by a computer operated by a relatively unskilled person.

Here for life? It can be harder for women in clerical jobs to move onwards and upwards.



A male clerical worker has only a 25 per cent chance of staying in that position for life. For most men, it has historically been the starting point of an upward career.



Savage et al. (1992) argued that the middle class consists of three distinct groups:

- Those with property assets, which includes self-employed and small employers
- Those with organizational assets, who hold important positions in large organizations
- Those with cultural assets deriving mainly from educational qualifications.

In the twentieth century, the fates of these three groups began to vary. Those with property assets still have the ability to pass these on to their children. However, those with organizational assets gradually declined in importance as industry entered more specialized areas demanding greater flexibility. In this situation, those with educational qualifications and potential flexibility have become more valuable to owners of industry. However, a major flaw with this theory is that it ignores a great part of the traditional middle class – it fails to consider the routine white-collar workers.

Functionalists would see the gradations in the middle classes as reflecting the need of the economy for various jobs. The pay differentials now found reflect these needs, and the amount of ability available in the society to carry out this work. Marxists of course continue to regard these differences in pay and status as a smokescreen to hide the basic division between proletariat and bourgeoisie.

Activity

- 1 List **three** reasons why clerical workers could be considered to be part of the middle class.
- 2 List **three** reasons why clerical workers might not be considered to be part of the middle class.
- 3 Suggest **three** reasons why women are less likely than men to be promoted from routine clerical work to higher positions.

The working class

Again, the question has to be asked: is there a single working class, as classical Marxism would suggest, or is it more accurate to speak of the working classes? Marxist sociologists argue that, in order to be considered part of a social class, people must at least recognize themselves as having

similarities. It has been found that most manual workers will define themselves as working class. It is assumed that there will be a similarity of lifestyle, norms and values – that is, a common culture – amongst the members of this group, and that they will show a tendency to mix socially with members of the same group rather than with members of other groups/classes.

Proletarian traditionalists

While there may be differences within the working class, and therefore a number of working-class subcultures, Lockwood (1966) has drawn up what could be described as an **ideal type** working-class subculture, made of those he labelled 'proletarian traditionalists'. This group was based on a range of studies of working-class life and is frequently used as a basis for comparison when considering other working-class groups.

Among other traits, proletarian traditionalists display the following characteristics:

- Living in close-knit working-class communities often based on long-established industries such as mining, dock-work, steel, etc.
- Having a strong sense of **social solidarity**
- Workmates are often neighbours and friends, and leisure time will be spent in each other's company
- Little geographical or social mobility
- Tendency to seek collective goals rather than individual ones, often linked to **trade union** membership
- An approach to life based on **fatalism**, with an emphasis on **present-time orientation** and **immediate gratification**
- A tendency to see the world divided into 'us' and 'them'.

Is this an accurate picture of working-class life in the early twenty-first century? There has been a marked decline in the industries that formerly employed the proletarian traditionalist. Mining as a way of life has all but disappeared, as deep mines have been replaced by open-cast mining; steel is now a minority industry; dock-work has been replaced by containerization. This trend continued so that manufacturing is now a minority occupation and the overall figure of those who could be considered traditional working class from their occupations has declined, and continues to decline. Lockwood also points out, however, that the jobs in hotel and catering are often themselves essentially manual, boring and repetitive, as are the new jobs in call-centres.

Fulcher and Scott (2002), however, found that Lockwood's proletarian traditionalist still existed, with a keen sense of the unfairness of society and an 'us and them' attitude to employers. The feeling of exploitation persisted. MacKenzie et al. (2006) found that even when the steelworks of South Wales closed and the steelworkers were dispersed to other jobs or were made unemployed, they still took their identity from being steelworkers, and felt a strong sense of solidarity with their former workmates. The authors concluded that the decline of the traditional working-class occupations, mostly undertaken by men and generally attached to a trade union, did not necessarily lead to a difference in the way they were identified, or identified themselves.

However, others, such as Cannadine (1998), argue that there is little evidence either that the collective consciousness described by Lockwood existed in the past or that it exists today in a consistent fashion. He suggests instead that collectivism occurs at particular times and in specific contexts, but usually unites a small part of the working class rather than the whole group. Thus, groups may join together to defend their work, for example in strikes to protest about redundancy, but it rarely involves other groups beyond those directly affected.

The new working class

While the number of working-class jobs was falling, the average living standards for those manual workers in regular employment improved. Their increased affluence led many political commentators to suggest that the attitudes of the working class would wither away and that most people would form a single homogenized mass. These ideas started from as early as the election slogan of 1959 – 'You've never had it so good' – through to 1992 and the claim of prime minister John Major that 'We are all middle class now.' It was argued that, rather than middle-class employees becoming

Ideal type refers to a view of a phenomenon built up by identifying the essential characteristics of many factual examples of it. The purpose of an ideal type is not to produce a perfect category, but to provide a measure against which real examples can be compared.

Social solidarity refers to the integration of people into society through shared values, a common culture, shared understandings and social ties that bind them together.

A **trade union** is an organization of workers whose aim is to protect the interests of its members and improve their life chances.

Fatalism is a state of mind in which someone believes there is nothing they can do to alter their situation or circumstances.

Present-time orientation involves a concentration on today without much consideration for the future or past.

Immediate gratification is a desire to have rewards now rather than waiting to acquire them in the future, which is known as deferred gratification.

Embourgeoisement refers to the idea that working-class manual workers were adopting more middle-class norms and values.

An **instrumental orientation** is an attitude in which wages/money are the most important aspect of work.

The **underclass** is a concept developed by Murray to describe a group considered to be outside the mainstream of society, below the working class.

Lumpenproletariat is a term used by Marx to describe the group of unorganized working-class people. It is now seen by many commentators as being synonymous with the underclass.

deskilled and proletarianized, the opposite was occurring, and the working class was becoming more like the middle class, through a process of **embourgeoisement**.

In 1962, Goldthorpe et al. began work on what was later published as *The Affluent Worker in the Class Structure* (1969). They set out to test the theory that the working classes were becoming more middle-class, by focusing on the town of Luton, where they felt such a transformation was most likely to occur, arguing that if they failed to find the tendency there, it would be reasonable to assume that it was not happening anywhere. Luton was chosen because of the absence of long-established industries, the decline of a closely knit community, higher than average home-ownership and, above all, higher wages, which together, they felt, were the circumstances most likely to foster the process of embourgeoisement. The study looked at four aspects of class:

- 1 *Attitudes to work*: assuming that affluent workers would enjoy their work and have an instrumental relationship to work (i.e. work for money) rather than working to make friends and build a sense of community
- 2 *Political views*: assuming that embourgeoisement would mean more people voting for the Conservative Party
- 3 *Aspirations and perspectives on society*: or how workers themselves defined the various social classes
- 4 *Social interaction* between groups from different social classes in the communities in which they lived

The authors argued that, if embourgeoisement was occurring, there would be few discernible differences between the various groups of workers. However, they concluded that embourgeoisement was *not* taking place, but, rather, that a new working class was being formed with a privatized family lifestyle and an **instrumental orientation** to work and politics.

Later studies by Hill (1976) on the London dockers suggested that this new working class was more widespread than originally thought. In the 1980s, Devine (1992) returned to Luton to see whether there had been further changes. Her findings suggest that the employment insecurities of the 1970s and 1980s had affected some attitudes, but, in the main, the affluent workers remained instrumental in their attitudes to work, concerned about their consumption patterns but also keen to see a more egalitarian society.

A study that has brought the picture of one working-class community more up to date is by Dench et al. (2006), which looks in detail at how the close-knit networks of the old docklands of East London have gradually disappeared as work was transferred elsewhere and no other obvious employment took its place. The reliance on neighbours has all but disappeared, extended families have been priced out of the neighbourhood, and new housing in Essex took the younger generation away, leaving the older members to cope in an increasingly unrecognizable world. The role of the working-class family as a source of status, solidarity and support has gone, and with it the traditional solidaristic community that was so important in the lives of the many people who worked in the London docks, loading and unloading cargoes – a job now replaced by large cranes and container ships and lorries. Here, the traditional proletarian lifestyle described by Lockwood no longer exists.

Such evidence has been used by some commentators to suggest that we must now speak of working classes rather than one working class. Traditional Marxists continue to point out the element of false consciousness this implies. These apparent 'class fractions', they suggest, still have the alienation and exploitation caused by a capitalist mode of production, and thus should be regarded as one class.

The underclass/poor

It is argued that there is a stratum below the working class. It has been given many names. At present, the most common one is the term **underclass**. Marx referred to this group as the **lumpenproletariat**. The underclass is described either in *economic* terms: those within its ranks are unemployed, dependent on benefits and poor; or in *normative* terms: they have a different culture and subculture from the rest of the population. Some commentators, most notably Murray (1984), would suggest that both economic and normative differences exist.

According to Marx, the main problem facing the lumpenproletariat was the diverse nature of the group – its fluctuating population, which would prevent it from developing class consciousness. Its very presence might also hinder the formation of class consciousness within the proletariat, since the fear would always exist that employers could recruit a new labour force from within the lumpenproletariat. This led Marx to describe this group as the ‘reserve army of labour’ – a group of people not normally in the paid workforce who can be called on in times of need – a concept that has been widely used by feminists to describe the role of women in the twentieth century.

A study by Coates and Silburn (1970) showed that the poor are no different from the rest of us: they have the same hopes and aspirations, the same coping strategies and do not consider themselves different in any great way. The study group referred to others, worse off than themselves, as ‘poor’ and did not regard their own position as poverty-stricken at all. Later pan-European studies in 2001 and 2004, have come to similar conclusions – poverty is a relative concept, even to those whom others would regard as poor.

Writing originally about the USA, Murray (1984) argued that the poor and the underclass have traits and characteristics that distinguish them from the rest of society and suggested this is a growing group which was a threat to the stability of society. Government policies are increasing the numbers of people who no longer work and who rely on government welfare for their subsistence; this discourages self-sufficiency and this group then turns to crime, delinquency and other forms of anti-social behaviour. In 1989, Murray visited the UK and declared that here too an underclass flourished.

Murray’s definition is not economic, but, rather, normative or cultural. The underclass is distinguished by:

- High levels of illegitimacy
- Absent fathers, or fathers who are incapable of keeping a job
- An unwillingness to work, particularly among the young
- Drunkenness
- Poor education
- Delinquency.

Murray says that, in certain neighbourhoods, traditional values such as honesty, belief in family life and the virtue of hard work have been so seriously undermined that generations are being born with no such ideas or access to them. He blames the underclass for the situation they are in, paying no attention to any structural causes and making no attempt to see any coherent solutions other than to cancel all benefits. This theory concerning poverty lies beneath the welfare reforms of the Coalition government of 2010–15 and the Conservative government elected in 2015.

Dahrendorf (1959) explains how such an underclass has been formed through changes in the economic structure of society. Technology now allows for more production with fewer workers, thus creating unemployment. In the USA, moreover, wages are kept so low in some industries that the workers concerned cannot rise out of poverty. Even better-paid workers are increasingly employed on short-term or part-time contracts. Education is the key to a successful job, but the education system fails members of the underclass; thus, argues Dahrendorf, ‘those who are in, by and large, stay in, but those who are not, stay outside’.

There is clearly an economic base to the underclass, but fragmentation will prevent class consciousness. Members of the underclass have little security and do not feel like full citizens of their societies. The group includes newly arrived immigrants and those who either have not gained a job at all, or have lost their job. As they have no real stake in society, they feel no need to conform to mainstream values, and this lack of conformity will be passed on to their children. Their frustrations often come to the surface through rioting and violent crime, which affects the lives of other citizens, but because of the different strands in this group, Dahrendorf does not regard them as a class in itself, but rather as a group of people who are not needed by society and whose presence is a challenge to dominant values.

Gallie (1988, 1994) argues that certain groups within the so-called ‘underclass’ are really members of the working class. Among these, most particularly, are the unemployed or those on very low wages. Groups drift in and out of employment and thus have similar class interests. The only people for whom this might not be true, according to Gallie, are the very long-term unemployed,

The living conditions of members of the underclass can lead to them feeling excluded from society. Such frustrations can occasionally explode to the surface, for example in urban riots.



but most of these were formerly manual workers or came from such a background. Whether this is also true of people who have never been able to find a job is left unconsidered. However, despite the claims of politicians, the number of families in which unemployment has been present throughout even two generations is extremely small.

The term 'ghetto poor' has been used by some US commentators to describe the group that exists as the lowest stratum of capitalist societies. They are considerably worse-off than manual workers in regular employment. Whether they form a separate class is still undecided.

Transitory residents/stateless persons/undocumented persons

With the constant movement of people across borders in search of work and a better life for themselves and their families, there are a growing number of residents who are not legally citizens of the country where they live. This group has a very unusual position in the class structure. Some, who may have false documents, manage to rise to positions in the semi-professional classes and routine clerical class, but do not, on the whole, appear in official statistics, as they are reluctant to draw attention to themselves. Others find themselves working in the **black economy**, paying no tax or national insurance, prey to unscrupulous employers and landlords, with no chance of escaping from this semi-slavery. The exact numbers cannot be known, but raids by various branches of the police routinely uncover cases every week. Their position in the class structure is impossible to determine.

In 2012 the BBC reported that Oxford University Centre on Migration Policy and Society found that approximately one in ten of London's children have uncertain immigration status. They had arrived legally with parents or guardians when they were minors but failed to be officially registered as documentation was missing. Without this documentation they are unable to stay in education after 16, work or use the NHS. They are now officially stateless but have known no other country. Again their class position is nebulous.

Children born in the UK are not necessarily citizens, since the law changed in 1982. If their parents were here illegally, then they too are treated as illegals, but they have no obvious alternative homeland. Current estimates suggest there were at least 120,000 such people in 2012. The figure is likely to grow.

Does class still exist?

We saw earlier in Topic 1 that postmodernists such as Pakulski and Waters claimed that class no longer offered an identity since people now saw themselves as individuals rather than members of a group. They suggest that consumption of goods and services shapes identity, but fail to recognize the role that income and occupation play in framing those consumption patterns. Since income and occupation are largely class-determined, it would seem premature to completely ignore class as a factor in modern-day life.

Black economy: running parallel to the official economy, the black economy is informal and most people in it work for cash-in-hand which thus avoids payment of various taxes. It is illegal.

Globalization and inequality

Globalization and the transnational capitalist class (TCC)

It has been argued that since the 1990s there has been a major change in the globalized class structure with the growth of a new global power elite or ruling class: the **transnational capitalist class (TCC)**.

Sklair (2000) suggests the TCC is made up of four main groups:

- The owners and controllers of transnational – global – corporations
- Globalizing officials and politicians, who operate on a world stage
- Globalizing professionals, who have high skill and education levels, speak foreign languages, travel internationally, are highly paid, think in global rather than national terms, and advise and develop proposals on issues of global concern, and particularly global business and trade
- Consumerist elites of the media, and merchants (business people) trading globally in consumer goods.

Sklair argues the TCC is transnational (or globalized) in that its economic interests are globally linked rather than being exclusively local or national in origin. It seeks to exert economic control in the workplace, and political control in domestic, international and global politics, and to promote a global ideology of consumerism. The TCC is linked by shared lifestyles, with consumption of luxury goods and services, and ultra-expensive exclusive clubs, restaurants and holiday resorts on all continents, and private, as opposed to mass, forms of travel and entertainment, and is residentially segregated in gated communities for the very rich in many countries of the world. Members of the TCC seek to project images of themselves as citizens of the world, as well as of their places or countries of birth.

The TCC represents the culmination of a rapid increase in global inequality. Piketty (2014) shows that the number of dollar billionaires has risen ten-fold from 140 in the late 1980s to 1,400 by 2010, by which time their total wealth exceeded a staggering \$5,400,000,000 – a twenty-fold rise in less than thirty years. Savage (2014) suggests that ‘future historians will look back at these last two decades as witnessing a process of astonishing class formation at the top reaches of the social hierarchy’.

Oxfam (2014) has shown that it is national inequality that matters most to people’s lives, and this is rising rapidly almost everywhere. Seven out of ten people on the planet now live in countries where economic inequality is worse than it was thirty years ago. Today, the rich are earning more, both in absolute terms and relative to the rest of the population. For example, in India, China and Nigeria, which are three of the world’s fastest-growing, and most populous, developing economies, the benefits of economic growth have gone to the richest members of society: the share of national income held by the richest 10 per cent has risen, whilst the income of the poorest 40 per cent has fallen. In just these three countries, more than 1.1 billion people – 16 per cent of the world – are getting an increasingly smaller share.

Millionaires, even billionaires, are no longer social oddities, but are central to the dynamics of global society today. In the past, millionaires were mostly found in the USA and Europe, or in European holdings overseas. Today the range of millionaires and billionaires is truly transnational with examples from nearly every country in the world. For instance, the Tata family of India hold a vast empire of interests from steel production, to car manufacture, to hotels, banks, food and mining, whilst the Hinduja family have holdings in thirty-seven countries and employ 70,000 people.

Added to this potent mix are the Sovereign Wealth Funds and Pension Funds which also control huge assets, and are sometimes controlled by very small groups of people – often, as in the case of the Qatari Sovereign Wealth Fund, billionaires and members of the ruling family.

There is a major problem when talking about these very rich, international holders of wealth. Do we simply call them the ‘super-rich’? Savage (2014) suggests this is too simplistic as it fails to distinguish different sources of wealth: rentier income, fortunes from inheritance, extremely high earnings, and so on. Also, there are some fairly wealthy individuals, such as football players, who,

The **transnational capitalist class (TCC)** is a global power elite or ruling class made up of the owners and controllers of transnational corporations and the globalized media, top officials, professionals and politicians who operate globally and top business people who trade in global markets.

arguably, have earned their wealth due to a specific talent rather than having merely inherited it, which only demands being born to the right parents. Piketty (2014) focuses on the process of wealth accumulation, as those who are already extremely wealthy are able to accumulate proportionally more than others and thus become even more wealthy.

This group does not appear to have the same social connections as can be traced among the British elites (see page 331) but closer inspection finds certain common traits. Usually they have been educated in elite universities, frequently in the USA or the UK, they have often inherited at least part of their wealth and it is now spread throughout the globe, and they employ accountants and lawyers to minimize the amounts they pay in tax, often claiming non-resident status in every country in which they have assets. Another trait is to marry others like themselves and to ensure that their own children are well employed within the family businesses.

The old European and American version of elites is now international or transnational with a very distinct capitalist culture, having a tendency towards monopoly capitalism.

Activity

Read the passage below and have the discussion outlined beneath:

Between 1980 and 2002, inequality between countries rose rapidly reaching a very high level. It has since fallen slightly due to growth in emerging countries, particularly China. But it is inequality within countries that matters most to people, as the poorest struggle to get by while their neighbours prosper, and this is rising rapidly in the majority of countries. Seven out of 10 people live in countries where the gap between rich and poor is greater than it was 30 years ago. In countries around the world, a wealthy minority are taking an ever-increasing share of their nation's income.

Worldwide, inequality of individual wealth is even more extreme. At the start of 2014, Oxfam calculated that the richest eighty-five people on the planet owned as much as the poorest half of humanity. Between March 2013 and March 2014, these eighty-five people grew \$668m richer each day. If Bill Gates were to cash in all of his wealth, and spend \$1m every single day, it would take him 218 years to spend it all. In reality though, he would never run out of money: even a modest return of just under 2 per cent would make him \$4.2 million each day in interest alone. Since the financial crisis, the ranks of the world's billionaires have more than doubled, swelling to 1,645 people.

And extreme wealth is not just a rich-country story. The world's richest man is Mexico's Carlos Slim, who knocked Bill Gates off the top spot in July 2014. Today, there are sixteen billionaires in sub-Saharan Africa, alongside the 358 million people living in extreme poverty. Absurd levels of wealth exist alongside desperate poverty around the world.

Some inequality is necessary to reward talent, skills and a willingness to innovate and take entrepreneurial risk. However, today's extremes of economic inequality undermine growth and progress, and fail to invest in the potential of hundreds of millions of people.

Source: adapted from Oxfam (2014)

In groups discuss:

- 1 How far the facts in the passage support the view that a transnational capitalist class exists.
- 2 What evidence might prove or disprove the idea that these people form and act as a coherent class group.

Globalization, migration and stratification

Migration has been a feature of nearly all societies. It occurs because of various 'push' and 'pull' factors. 'Push' factors are those that may encourage someone to leave their home country, and 'pull' factors are those that may attract them to a new country.

- *Push factors* include things like escaping from natural or socially created circumstances such as earthquakes, famine, the effects of wars, poverty, lack of jobs and unemployment, and political and religious persecution.
- *Pull factors* include things like better opportunities for jobs, study, a higher standard of living, better healthcare and education, more political and religious freedom, and joining relatives.

Worldwide industrialization has long been a pull factor taking people from the countryside to the towns, and in the European Union, migration between nation-states is commonplace as people move for better jobs and higher standards of living in other member states.

In the twenty-first century, Europe has experienced one of the most significant influxes of migrants and refugees in its history, pushed by civil war and persecution – particularly from the Middle Eastern countries, Afghanistan and Africa – and pulled by the prospects of a better life, often risking their lives along the way.

However, the increasing interconnectedness of societies across the world that has accompanied globalization, and growing inequality on a global level, have generated economic migration between countries on a hitherto unprecedented scale, as people are pushed from poorer countries to more affluent Western ones in search of better job opportunities and a higher standard of living.

Such migration affects stratification in several ways.

Migrants, and particularly economic migrants are, on the whole, better educated and often more ambitious than those who do not migrate. This strips the country they leave of valuable resources in terms of trained personnel, but at the same time this may provide more opportunities for upward social mobility for some of those remaining. It may also skew the skill base of the new host country, potentially driving down wages if there becomes a glut of certain skills, thereby blocking opportunities for upward mobility for those already living there. This may cause resentments and divisions within existing social classes, as they see their wages being cut by competition from cheaper migrant workers, and reduced opportunities for themselves. This may lead to greater instability in the stratification system.

Migration may cause two further problems. Firstly, the country of origin has lost valuable resources, which might affect its development and make inequality and poverty worse. Secondly, if the economic position in the country of origin improves, these migrants may return to those countries, leaving a shortage of labour behind them. For example, in 2014, it was estimated that 11 per cent of all professionally trained NHS staff in the UK were overseas nationals, with the figure rising to 26 per cent for doctors. Should these staff choose to leave the UK in the future, the healthcare system as we know it would be unsustainable.

A further effect is that there will be more undocumented workers, who come and stay in countries illegally (also known as illegal immigrants). These are 'pulled' by the prospects of better living standards, and often 'pushed' by poverty and the lack of opportunities in their own countries, but they lack the skills or wealth which would allow them to enter the country legally. There is a growing influx of undocumented workers in the UK – Home Office estimates suggest there are between 500,000 and 800,000, but the fact that these don't officially exist means estimates are very difficult to substantiate. Such undocumented workers swell the poor underclass which was discussed on pages 337–9. They are exploited by UK employers, and often by people-traffickers as well, who smuggle them into the country by various means, and keep them in conditions of semi-slavery. Such super-exploited workers lack the safety nets available to other workers, such as health and safety laws and access to the benefits and healthcare of the welfare state, but they can cause divisions among the most disadvantaged in society, as they often work for less than the legal minimum wage, and cause resentment among other workers as, by taking up employment at cheap rates offered by ruthless employers, they undercut the wages and job opportunities of those who seek to work legally.

Changes in the treatment of gender differences

Since the passing of the Equal Pay Act (1970) and the Sex Discrimination Act (1975), it might be hoped that gender differences would have shown a steady decline. Whilst the situation is far better

Table 4.19 Median full-time gross weekly earnings by gender, UK, for selected years, 1997–2015

	Men £	Women £
1997	357	265
2000	398	298
2004	460	357
2007	498	395
2010	538	439
2015	567	471

Source: *Annual Survey of Hours and Earnings, 2015 Provisional Results*. Office for National Statistics

than it was in the 1960s when married women had to have their husband's permission to sign a hire purchase agreement and other legal documents, it is far from equal.

We saw earlier in Topic 2 that girls outperform boys right up to university entrance level, but earnings do not reflect this and changes in full-time earnings, as shown in table 4.19, indicate that gender differentials still exist and have hardly changed in the last seventeen years or so.

If we take into account that women are more likely to work part-time than men, the picture is slightly different. Part-time pay rates are more equal due to the Equal Pay Act, but men who work part-time tend to work more hours than women so their take-home pay stays higher.

Women's employment position still seems to be affected by the glass ceiling, an invisible barrier of discrimination which makes it difficult for women to reach the same top levels in their chosen careers as similarly qualified men, and few women are found in very high-paying posts. However, there have been improvements in many of the professions: women are now more likely to be found as headteachers – though of primary schools more than secondary schools – and more hospital consultants are women than in 1990. More members of the legal profession than previously are now women, and in nursing and midwifery more men are found than before. Women are now allowed in all branches of the armed forces, though mining is still a prohibited occupation for women.

When women do break through the glass ceiling, figures from the Chartered Management Institute in a report from 2012 show that 'A lot of businesses have been focused on getting more women on boards but we've still got a lot to do on equal pay and equal representation in top executive roles. Women make up almost three out of four at the bottom of the ladder but only one out of four at the top.' The report also noted that 'The figures show that the percentage of women in the executive workforce now stands at 57 per cent. However, while at junior level the majority (69 per cent) of executive workers are now female, a much smaller percentage have made it into top roles – just 40 per cent of department heads are female and only one in four chief executives (24 per cent).' Even when women do get into executive positions,

female directors earn an average basic salary of £127,257 – £14,689 less than the male director average of £141,946 . . . The gender pay gap extends to annual rewards. At the 91 participating employers providing data on the payment of bonuses, women receive less than half what men are awarded in monetary terms – the average bonus for a male executive was £7,496, compared to £3,726 for a female executive. This picture gets worse as women and men progress in their careers with 50% of males at director level receiving bonuses compared to 36% of females. At £65,000, the average bonus paid to a male director was £7,000 more than that awarded to a female director.

It would seem that women are still unequal in many aspects of life today.

Changes in the treatment of ethnic differences

In the late 1960s it was not an uncommon sight to see notices on rented accommodation which said 'no dogs, no Blacks, no Irish'. Such overt racism was outlawed by various Race Discrimination Acts of 1965, 1968, 1976 and 2000, but as late as 2003 signs appeared in rural Northamptonshire saying 'No Gypsies'. Such signs are quickly removed but they reflect a deep-seated attitude in some sections of the population. During the last fifty years, there have, however, been many changes, not least in the composition of the ethnic minorities themselves.

This composition has changed since the EU Accession Treaties of 2003 and 2005 which allowed people from the Czech Republic, the Republics of Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Slovenia and the Slovak Republic (2003) and from Romania and Bulgaria (2005) to settle in any part of the EU, including the UK. Whilst the number of non-white citizens has continued to rise, this is due to natural increase in family size as second and then third generations marry and procreate, rather than to continued immigration. The number of EU immigrants has also risen as workers from the accession states, particularly Poland, Latvia and Lithuania, have found work here and brought their families with them. Between 2004 and 2007, 500,000 Poles registered for work permits in the UK. The majority of these workers have remained and more have followed, but actual figures are unclear since registration to work is no longer a legal requirement. These immigrants tend to be more highly educated than the indigenous population and frequently speak more than two languages. However, they are not immune to discrimination of the same kind faced by previous immigrants, though their chances of assimilation may be higher since they share the same skin colour as the majority population.

Ethnicity, gender and earnings

We saw earlier that women still earn less than men, and Nandi and Platt (2010) have shown that earnings for ethnic-minority women are lower than for white British women, and that this situation does not appear to have improved in the last ten years. This leaves postmodern ideas about being able to choose identity just as doubtful for these groups as any other.

Ethnicity and employment/unemployment

Has the UK improved as a place to live for non-white citizens? Unemployment figures would suggest that there is still an ethnic bias. Whilst in 2010 the Department of Work and Pensions recorded an unemployment rate for White British people of 7.7 per cent, the rate was lower for non-British white people, possibly because they would return to their country of origin if unemployment lasted for any length of time. Ethnic-minority groups by contrast had an unemployment rate of 13 per cent, but this hid variations between groups. For Indians, the rate was 8 per cent, but for Pakistanis it was 18.5 per cent; Bangladeshi 18 per cent; Black Caribbeans averaged about 15 per cent, with Black Africans about 16.5 per cent, whilst the Chinese had a rate of just over 8 per cent. Within these groups the gender differences show an inconsistent pattern. Whilst the white groups of women were less likely to be unemployed than men, for the non-white groups the unemployment figures for women were significantly higher than those for men. Whether this is as a result of different attitudes to signing on as unemployed or whether it reflects some other explanation is not clear. It would seem, however, that work for some ethnic minorities is not as secure as for the ethnic majority.

Ethnicity and the law

Other aspects of life suggest some improvements. The Home Office claims that there are fewer stop and searches carried out on Asian and African-Caribbean males, but the actual numbers of stop and searches being carried out has continued to rise, and in 2011 46 per cent of all stop and searches were made by the Metropolitan Police. The Home Office reports:

Self-classifications of persons stopped and searched in 2010/11 were of similar proportions across all ethnic groups as compared to the previous year. In 2010/11, 66 per cent of the persons defined themselves as White, 15 per cent as Black and ten per cent as Asian. Smaller proportions defined themselves as Chinese or Other (1 per cent) or Mixed (3 per cent). The ethnicity for four per cent of persons was not stated. However, a large proportion of these stops and searches were conducted by the Metropolitan Police Service, and these have had considerable effect on the proportions for England and Wales as a whole. Excluding stops and searches by the Metropolitan Police Service, the vast majority of persons searched in England and Wales were White (84 per cent); very small proportions were Asian (6 per cent) or Black (4 per cent). In contrast, of the persons searched by the Metropolitan Police Service, 43 per cent defined themselves as White, 30 per cent as Black and 16 per cent as Asian. Proportions of persons searched by the Metropolitan Police Service who defined themselves as Mixed (4 per cent) or Chinese or Other (3 per cent) were similar to those seen in other forces in England and Wales (2 per cent and 1 per cent respectively). Fifty-two per cent of the stops and searches conducted by the Metropolitan Police Service were on Minority Ethnic persons, compared to 13 per cent across all other forces. This in part is explained by both the high population density and the high Minority Ethnic populations (resident and visitor) within the Metropolitan Police Service area.

These figures are a small but limited decrease on the situation at the time of the Macpherson Inquiry into the murder of Stephen Lawrence (see page 485 for more on this).

Race hate crimes, that is crimes directed against a specific group because of their ethnicity or religion, show mixed figures on current trends – whilst incidents reported to the police are falling, levels reported in surveys have fluctuated.

Ethnicity and the media

Ethnic minority representation in the media has increased to the point that it could be argued that news readers on the terrestrial TV channels over-represent ethnic minorities. However, ethnic representation in comedy shows, or on quiz shows and other forms of entertainment, does not show representation at a level that should be expected. Less than 8 per cent of such participants come from ethnic minority groups. So the situation is not clearly changing only in one direction.

There is a full discussion of ethnicity and the media on pages 221–6.

Conclusion

Whilst there have been changes in the class structure and in the position of women and ethnic minorities, they have not, on the whole, been of great extent. However, there have been improvements, and legislative changes such as the Equalities Act of 2010 may well bring more. Changing attitudes takes time, probably a generation or more when dealing with such aspects as sexism and racism. Liberal feminists have always been fairly optimistic about change and there is no reason to doubt that change is possible.

The Equality and Human Rights Commission's First Triennial Review, *How Fair is Britain? Equality, Human Rights and Good Relations in 2010*, summed the current position up by saying:

(Legal) changes, and more besides, have made a meaningful difference in the lives of many people who may be subject to disadvantage because of who or what they are. More importantly they have transformed the expectations of most British people about what constitutes reasonable behaviour and what a decent society should look like. Yet even a summary investigation reveals that in many instances, what happens in the real world falls short of the ideals of equality – from the harassment of disabled people, to homophobic bullying in schools, to stereotypes and arbitrary barriers that prevent older people from giving of their best in the workplace. (page 13)

In short, we twenty-first century Britons are a largely fair-minded people. But we are not yet a fair society. And we know that no individual can be truly free to realise their potential, or to exercise their inalienable human rights as long as they are imprisoned by the invisible, many-stranded web of prejudice, inertia and unfairness that holds so many back. (page 7)

Race hate crimes are criminal offences which are perceived by the victim or any other person to be motivated by hostility or prejudice based on a person's ethnicity or religion.