



Continuity and change in the American class structure: Workplace ownership and authority relations from 1972 to 2010



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ABSTRACT

This study investigates changes in the American class structure – defined in terms of workplace ownership and authority relations – and trends in status group disparities in class attainment from 1972 to 2010. Although theory and prior research suggest a variety of appreciable changes in class structure and class attainment, data from the General Social Survey indicate that the sizes of different classes remained fairly stable during this time period and that status group disparities in access to ownership and authority persisted largely intact. The 1970s witnessed a decline in the proportion of workers and growth in the proportion of managers and proprietors, but these trends reversed in the 1980s. As a result, by the late 2000s, the ownership and authority structure of the U.S. economy closely resembled that of the early 1970s. Racial and gender disparities in class attainment also did not change significantly over time: blacks and women remained underrepresented (relative to whites and men) in positions of ownership and authority throughout this period. Even after controlling for an extensive set of human capital characteristics, family constraints, and structural economic factors, there is little evidence of status group integration across these key dimensions of economic power.

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1. Introduction

Economic power flows in part from an individual's position within the ownership and authority structure of the workplace (Robinson & Kelley, 1979; Smith, 2002; Wolf & Fligstein, 1979; Wright, 1997). At a simple level, there are four distinct positions within the workplace ownership and authority structure. These consist of workers, who do not own the means of production and do not control the activities of others; proprietors, who own the means of production and control the activities of workers; managers, who do not own the means of production but do control the activities of workers; and independent producers, who own and operate small firms by themselves (Kalleberg & Griffin, 1980; Robinson & Kelley, 1979; Wright & Perrone, 1977). These positions are often referred to as class positions because unequal ownership and authority are thought to engender intergroup antagonism and conflict. Because the term “class” is deployed with reference to a great variety of different collectivities, it is necessary to impose some limitations of scope. For expositional clarity, this study uses the term exclusively

to refer to positions within the workplace ownership and authority structure.

Analyses of class structure and class attainment are central to sociological theory and research. Class structure is defined as the aggregate distribution of individuals across class positions, and class attainment refers to the process by which different individuals come to occupy different class positions. Research on class structure and class attainment is important because ownership and authority within production shape the distribution of other valued resources, such as income, social status, and political influence, and because class inequality is thought to be a particularly contentious type of intergroup division with the potential to provoke social conflicts capable of restructuring societal institutions (Smith, 2002; Wright, 1997).

The direction and magnitude of changes in class structure since the early 1970s is a contested topic. For example, post-class and post-industrial theories contend that technological development has attenuated the demand for labor power, enhanced the demand for managerial decision-making, and facilitated the growth of new economic sectors in which small firms flourish, leading to a decline in the proportion of workers and an increase in the proportion of managers, proprietors, and independent producers (Bell, 1973; Pakulski & Waters, 1996). Class-analytic theory, by contrast, contends that the dynamics of market competition and technological

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development promote economic concentration, leading to a decline in the proportion of independent producers, proprietors, and managers, and an increase in the proportion of workers (Marx, 1971; Wright, 1997).

Theory and prior research also suggest competing hypotheses about changes in the class attainment process, and in particular, about racial and gender disparities in access to ownership and authority in production. One perspective on changes in class attainment predicts sharply declining racial and gender disparities since the early 1970s as a result of newly implemented anti-discrimination policies, egalitarian shifts in racial and gender attitudes, and extensive investments in human capital among racial minorities and women. By contrast, an alternative perspective anticipates enduring racial and gender disparities in class attainment as a result of persistent discrimination against subordinate status groups.

Despite the variety of competing hypotheses about recent changes in class structure and class attainment, few prior studies employ a time-series research design capable of rigorously evaluating these conflicting predictions. Most previous research on workplace ownership and authority is based on cross-sections of the population at a single point in time (e.g., Jaffee, 1989; McGuire & Reskin, 1993; Wolf & Fligstein, 1979; Wright, 1997), which preclude an analysis of trends, and the handful of prior studies that do examine trends suffer from critical limitations. In particular, they rely on potentially inaccurate measures of workplace ownership and authority.

For example, several foundational studies of trends in class structure (Wright & Martin, 1987; Wright, 1997) do not directly measure differences in workplace ownership and authority over time but rather approximate these differences using an occupation-by-industry imputation procedure. However, class positions based on workplace social relations and occupational positions based on the technical division of labor are conceptually and empirically distinct (Kalleberg & Griffin, 1980). Moreover, occupational classification data may have become an increasingly unreliable proxy measure for workplace authority over time as a result of job title inflation. Previous studies suggest that many firms responded to nondiscrimination policies in the 1970s by expanding managerial job titles, but not tangible control or influence within the workplace, to include a greater number of female and minority employees (Jacobs, 1992; Reskin & Ross, 1992). Analyses of workplace ownership and authority structures based on occupational data, therefore, may lead to faulty inferences about the direction or magnitude of changes.

Similarly, previous research on racial and gender disparities in class attainment often equates self-employment with the ability to control capital and direct a firm (e.g., Aronson, 1991; Fairlie, 2004; Fairlie & Meyer, 2000; Hughes, 2003). The self-employed, however, are a highly heterogeneous group composed of both proprietors, who do indeed control capital, direct the production process, and manage the activities of others, as well as independent producers, who are often indistinguishable from workers that lack property and authority in the workplace (Dale, 1986; Kalleberg, 2011). Because women and racial minorities may be disproportionately represented among the nominally self-employed class of independent producers, failure to accurately distinguish between this group and the comparatively advantaged class of proprietors could lead to faulty inferences about racial and gender disparities in class attainment over time.

This study investigates changes in the American class structure – defined in terms of workplace ownership and authority – and trends in racial and gender disparities in class attainment. It extends previous research by using time-series data that cover nearly four decades and by using more direct measures of workplace ownership and authority. Specifically, it combines information on

self-employment and job responsibilities from the 1972 to 2010 waves of the General Social Survey (GSS) and from the 1980 and 1991 surveys of the Comparative Project in Class Analysis (CPCA) in order to precisely identify an individual's position within the workplace ownership and authority structure. Despite some non-trivial fluctuations, results from these data indicate that the relative sizes of different classes have remained fairly stable and that racial and gender differences in class attainment have persisted largely intact.

2. Class structure and its transformation

This study adopts a conception of class based on the social relations of production. The social relations of production refer to patterns of control over different factors involved in the production process. Ownership relations refer to control over the means of production, including raw materials, land, machines, and so on. Authority relations refer to control over individuals involved in the production process. Social classes, then, are defined as different positions within the ownership and authority structure of the workplace. At a simple level, class positions consist of proprietors, managers, workers, and independent producers. Proprietors own the means of production and control the activities of workers. Managers do not own the means of production, but they direct the production process and control the activities of workers. Workers lack control over the means of production and over the production process, and they labor under the direction of proprietors and managers. Finally, independent producers own the means of production and direct the production process within a self-operated enterprise, but they do not control other workers. This typology is closely informed by several interrelated approaches to class analysis within the conflict theoretical framework (Dahrendorf, 1959; Kalleberg & Griffin, 1980; Marx, 1971; Proudhon, 2011; Robinson & Kelley, 1979; Wright & Perrone, 1977).

Several competing perspectives suggest starkly different trends in social class structure. Post-class and post-industrial theories contend that recent technological changes revolutionized the production process in ways that expanded the relative number of proprietors, managers, and independent producers, and reduced the relative number of workers (Bell, 1973; Pakulski & Waters, 1996; Pakulski, 2005)¹. By contrast, the class-analytic perspective contends that the dynamics of market competition and technological development have expanded the relative number of workers, and reduced the relative number of proprietors, managers, and independent producers (Marx, 1971; Proudhon, 2011; Wright, 1997). Still another perspective highlights the potential effects of large scale demographic shifts since the 1970s, such as high-volume immigration, on changes in class structure.

2.1. The post-class and post-industrial perspectives

Post-class and post-industrial theories contend that technological development transformed the economy from a system based primarily on monopolistic goods-producing enterprises into a system based on service provision in which small firms flourish

¹ This section focuses narrowly on the specific elements of post-class and post-industrial theories with clear implications for trends in aggregate class structure, defined in terms of ownership and authority relations in production. In addition to addressing changes in ownership and authority relations, post-class and post-industrial theories also address changes in the technical division of labor, the skill content of work, the organizational culture of firms, and so on, which are beyond the scope of this analysis.

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