3.4 Societal Structures

A society's social order is complex; it involves tradition; political power; government, economic, social, and civil behavior and rights; values and beliefs; even philosophy and religious teachings. A society's legitimate power and influence are not always vested in the same person or group, and societal structures vary greatly among cultures. Of particular interest to our study of cultural diversity is research into the ways in which gender roles and duties have been historically defined. The findings have helped illuminate the various societal structures in diverse cultures.

Patriarchal and Matriarchal Social Structures

Most anthropologists agree that human society originated from small groups of people who were organized in nomadic bands of hunters and gatherers that migrated to habitable areas of the world by 12,000 BCE. Around 10,000 BCE, the introduction of agriculture radically changed the economic and social framework for human life. As groups settled into geographic regions and formed more stable residential patterns, inequality between men and women increased in most societies, due to the development of gender roles based on the division of labor. Men worked in the fields tending crops and handling large animals such as cattle, while women generally maintained the household, raised children, and prepared food. Many of these roles persist in the present day and have significant effects on lifestyle and opportunity. The UN reports that rural women generally have less access than men to assets, resources, and opportunities, such as land, livestock, financial services, and education (FAO, 2014).

Most agrarian societies develop patriarchal societies—with husbands and fathers dominant—and these societies tend to deepen their patriarchal cultures over time. A **patriarchy** is a society characterized by male domination or rule. In such societies men largely control the sale of crops and animals and decide how income is used. Even in contemporary patriarchies, particularly these in Africa, a husband's family may take land and livestock from a woman upon her husband's death, leaving her destitute. According to the UN, the failure to value women's work limits their economic bargaining and decision-making power, their access to credit, and the allocation of household resources (FAO, 2014).

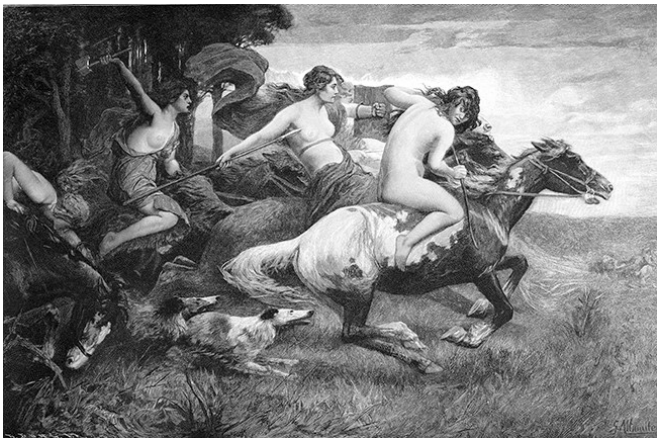
A **matriarchy**—or society characterized by female domination and rule—is in direct contrast to patriarchy. Some scholars believe that for hundreds of thousands of years, some groups of humans worshipped a goddess and lived in peaceful societies headed by women—until invaders banished the female deity, substituted a male god (to support the notion of male dominance on earth), and instituted patriarchy as the predominant societal structure.

Historians and anthropologists have conducted exhaustive searches of human history to find a matriarchy. Many argue that such cultures existed and even continue to the present day, while others have concluded that a genuine matriarchy does not and may never have existed (Kosty, 2002).

The Myth of Matriarchy?

Cynthia Eller (2011), professor of women's studies at Montclair State University, has devoted much time and effort to seeking out matriarchal societies. She credits the genesis of what she believes to be the myth of matriarchal societies to Swiss lawyer Johann Jakob Bachofen and his 1861 book, *Mother Right: A Study of the Religious and Juridical Aspects of Gynecocracy in the Ancient World*. Drawing on Amazon myths dating back to Greek antiquity and stories of female-dominant societies popular through the mid-19th century, Bachofen claimed that in its infancy, humankind was a **gynecocracy** (or gynarchy), in which

political power and government is in the hands of women. Only later, he asserts, did men seize the power that characterized most of recorded history.



Michael Nitzschke/imageBROKER /SuperStock

The Amazon's mythological female warrior society inspired Johann Jakob Bachofen's belief that early human society was gynecocratic.

Enthusiasm for Bachofen's theory "spread quickly and was essentially adopted as historical truth by the emerging discipline of anthropology" (Eller, 2011, p. 7). Then, beginning in 1884 with the publication of *The Origin of the Family, Private Property, and the State* by Friedrich Engels, a Communist organizer and collaborator of Karl Marx, the idea of matriarchal prehistory was taken up as effective political ammunition by both Communists and feminists such as American Elizabeth Cady Stanton.

Later, Eller (2011) asserts, Fascists and Nazis adopted the theory as well. They used it to assert that the Aryan race was originally matriarchal and, under those previous matriarchal conditions, proper "racial hygiene" (Bergmann, as cited in Eller, 2011, p. 8) was practiced. Such hygiene allowed only certain groups of individuals to procreate, promote certain desirable biological characteristics (such as blond hair and blue eyes), and ensure racial "purity."

The idea of matriarchal prehistory was largely set aside by anthropologists in the early 20th century and did not resurface until the feminist movement in the 1950s. At that time it served as a foundational myth for the emerging religion of Wicca in Britain and was discovered by second-wave feminists in the 1960s and 1970s, who learned about the theories primarily by reading the 19th-century anthropologists (Eller, 2011).

With her books *The Myth of Matriarchal Prehistory: Why an Invented Past Won't Give Women a Future* (2001) and *Gentlemen and Amazons: The Myth of Matriarchal Prehistory* (2011), Eller was praised but also widely criticized when, after 18 years of research, she concluded the existence of matriarchal societies to be a myth. She explains, "I do indeed mean that it [true matriarchy] is not true, that it is fictional, that as an account of human social history, it fails elementary evidentiary tests" (Eller, 2011, p. 13).

While many feminists would like to believe that women once held greater power and status, and that male dominance is a relatively new invention, Eller ultimately (2011) concludes that the belief is based more on modern social movements than historical evidence:

> Anyone who lived through the women's liberation movement of the 1960s and 1970s knows that during those decades gender came, for a time, to be of overwhelming cultural and political interest. We were collectively absorbed in rethinking the rightful roles of women and men, from the kitchen to the boardroom to the sanctuary. That imagined alternative histories of sex relations flowered as the women's movement explored its contours in the 1970s and 1980s is to be expected. (p. 6)

According to some scholars, the controversy surrounding the term *matriarchy* stems from the expectation that matriarchies, where women dominate or rule over men, should be the opposite of patriarchies. Many scholars believe that a true matriarchy would be a gynecocracy (or gynarchy) in

which political power and government is in the hands of women. However, most matriarchal societies, explains Goettner-Abendroth (2008), are **matrilineal** (tracing ancestral descent through the maternal line), **matrilocal** (where the family resides with a wife's kin group or clan), **matrifocal** (with the mother functioning as the head of the household or family), and egalitarian (where everyone has equal status and opportunities and equal political, economic, social, and civil rights).

Anthropologist Peggy Reeves Sanday disagrees with Eller's conclusion and asserts that matriarchies are not fictional; the belief that they have never existed is based on a flawed and overly strict definition of matriarchy. Sanday reports that the word *matriarchy* evolved from earlier uses of the words *matriarch* and *patriarch t*o denote female or male elders—the older women and men who are powerful within a family or group. In the 19th century, says Sanday, evolutionists referred to "mother law or mother rule," which paved the way for use of the word *matriarchy* as the mirror image of patriarchy.

Sanday reports that the word was first used in an 1896 article by anthropologist Edward Burnett Tylor titled "The Matriarchal Family System." In it, Tylor cited evidence of both ancient and contemporary peoples who traced their descent by their mother's lineage, rather than their father's (Sanday, 2011, para. 6). Despite of the article's title and Tylor's descriptions of a number of what he calls "matriarchal" family systems, Tylor rejects the term *matriarchal* on the grounds that it takes for granted that women govern the family. Instead, in many such societies the actual power is in the hands of brothers and uncles on the mother's side. Thus, Tylor preferred to use the term "maternal family" to describe the family structure (Sanday, 2011, para. 8).

After years of conducting research among the Minangkabau (or *Minang)* people on the Indonesian island of Sumatra, Sanday accepts the term the group uses to identify itself: *matriarchate*. Sanday (2011) found that the term *matriarchate* means more than matrilineal descent and women-centered households. It also refers to a system of symbols and to ceremonial practices that place senior women, along with their brothers, at the social, emotional, aesthetic, political, and economic center of daily life.

Sanday asserts that some scholars' reluctance to accept the term *matriarchate* or *matriarchy* lies in Western cultural notions that a matriarchy is essentially patriarchy's female twin (Kosty, 2002). As Sanday puts it:

> Too many anthropologists have been looking for a society where women rule the affairs of everyday life, including government. That template—a singular, Western perspective on power—doesn't fit very well when you're looking at non-Western cultures like the Minangkabau. In West Sumatra, males and females relate more like partners for the common good than like competitors ruled by egocentric self-interest. Social prestige accrues to those who promote good relations by following the dictates of custom and religion. (as cited in Kosty, 2002, para. 3)

Thus, Sanday (2011) proposes a new definition of matriarchy. She suggests that for societies in which the social foundation is forged by maternal principles, we shift our attention from forcible power to the persuasive force of tradition. In her view men and women share responsibilities in all societies. The differences concern the degree to which the sharing is symmetric and balanced. In societies such as the Minangkabau, Sanday believes, both men and women exert influence by upholding tradition. Thus, matriarchy should not be viewed as a system of governance of the family or a society associated with exclusive female rule. Instead, she proposes this revised definition:

> Matriarchy is a balanced social system in which both sexes play key roles founded on maternal social principles. As the symbolic originators, women, in their roles

> as mothers and senior women, are the performers of practices that authenticate and regenerate or, to use a term that is closer to the ethnographic details, nurture the social order. By this definition, the ethnographic context of a redefined matriarchy does not reflect female power over subjects or female power to subjugate, but female responsibility . . . to conjugate—to knit and regenerate social ties in the here and now and in the hereafter, through their leadership in upholding tradition. Thus, power conceived in this way is balanced in the sense that it is diffused among those who work in a partnership to uphold social rules and practices. (Sanday, 2011, para. 2)

German scholar Heide Goettner-Abendroth's view is similar to Sanday's. Her work organizing two World Congresses on Matriarchal Studies and editing a 2009 book of essays on the subject led her to list the Minangkabau, as well as the Mosuo in southwestern China; the Khasi and Garo in Meghalaya, India; the Akan peoples in West Africa; the Kabyle in North Africa; and the Iroquoian (Haudenosaunee) people in North America as reflecting matriarchal societies.

The Mosuo

The Mosuo are a Chinese ethnic group with an estimated 40,000 members in the Himalayas. While women in this group do not have political power, the society is woman-centered in all other respects. The Mosuo religion involves worship of ancestors and a mother goddess. Through oral histories, anthropologists have determined that theirs is both a matrilineal culture and a matrifocal one.

Of great interest to anthropologists is the Mosuo cultural practice of "walking marriages" (or *zou hun* in Chinese), so called because the Mosuo do not formally marry. Instead, a woman who is interested in a particular man will invite him, usually secretly, to spend the night in her room. The man walks to her house at night and returns to his own home early in the morning (Lugu Lake Mosuo Cultural Development Association, 2006).

The Mosuo generally live in large extended family clans, with most family members residing in communal quarters. However, when a woman "comes of age" between 12 and 14, she can have her own private bedroom; once past puberty, she can begin to invite partners in for walking marriages. While it is possible for a Mosuo woman to change partners as she likes, and a single partner is not expected or common, the majority of such couplings are long term, and many last a lifetime. Even when a pairing is long term, however, the man will not go to live with the woman's family, or vice versa, and no property is ever shared (Lugu Lake Mosuo Cultural Development Association, 2006).

Most significantly, when children are born, the father may have little or no responsibility for them. If a father wants to be involved with his children, he will state his intention to do so and will bring gifts to the mother's family. This gives him a kind of official status within that family but does not make him part of it. Though children are usually aware of their biological father's identity, this fact is not considered significant (and some children do not know at all). Additionally, as one researcher noted, "There are no illegitimate children and female sexuality does not have to be controlled to ensure that a man's children are 'his.' . . . Sexual partnership is based upon . . . attraction which does not get mixed up with parenting roles or economic provision" (Christ, 2012, p. 109).

Regardless of a father's involvement, the child will be raised in the mother's family (making the society matrilocal), and take her family name. It is not necessary to be a biological mother; each sister is a "mother" to the children that any of them have. Within a household, a woman will consider her sisters' children to be equally her own. Because male children continue to live with and be responsible to their

own mothers' extended family, they play a significant role in the lives of their cousins and nieces, and both male and female members of the extended family help support and raise the children (Lugu Lake Mosuo Cultural Development Association, 2006).

The Mosuo also lack preference for a particular gender. Since neither male nor female children ever leave home, there is no particular preference for one over the other. The focus instead is on maintaining gender balance. To maintain this balance, it is not uncommon for Mosuo to adopt children of the appropriate gender or even for two households to "swap" male and female children.

The result is that the Mosuo enjoy an extremely stable family structure, one that is absent of child custody battles and features a large and close-knit network of caregivers. The Mosuo culture is changing, however, thanks to increased contact with the outside world.

The Minangkabau

The Minangkabau, also called Minang, are another example of a matrilineal society. Today nearly 4 million Minangkabau, one of the largest ethnic groups in Indonesia, live in the highlands of West Sumatra. Their society is founded on matrilineal customs and a religion that blends Islamic principles with a traditional nature-based religion, *adat*, which glorifies a semihistorical queen mother who was thought to have lived in the 14th century and emphasizes the maternal principles of human growth rather than the competitiveness found in many Western cultures.

When performing their ceremonial functions, senior women are referred to as *bundo kanduang*, which means "our own mother." The term acknowledges one's own biological mother as well as the common ancestress of each clan, the queen mother. To the Minangkabau, the maternal carries sovereign authority. However, wielding power by force or exerting dominance is foreign to Minang men and women; their culture emphasizes politeness and maintaining peaceful relations. In fact, Sanday (2011) describes the Minang culture as peaceful and nearly violence free.

Minangkabau women's power extends to the economic and social realms. Women control land inheritance, and husbands move into their wives' households when they marry. In the case of a divorce, the husband collects his clothes and leaves the house.

Despite the central status that women are afforded, the Minangkabau matriarchy is not the equivalent of female rule. Decisions are made by consensus. When Sanday repeatedly asked members of the society "who rules?," she was told that she was asking the wrong question. No one rules, she was told; women and men work together, "[l]ike the skin and nail of the fingertip" (as cited in Kosty, 2002, para. 5).

The Iroquois

The Iroquois or Haudenosaunee Confederacy is another interesting example of a contemporary matriarchal society. The six Haudenosaunee Native American nations consist of the Seneca, Oneida, Onondaga, Cayuga, Mohawk, and Tuscarora. They once stretched from northeastern New York and Canada to western New York and northeastern Ohio. Today they exist primarily on small reservations in Canada, New York, Wisconsin, and Oklahoma.

The Haudenosaunee have male leaders, but the chiefs are chosen by the women, usually from among their sisters or their female children. The Haudenosaunee society is matrilineal and matrifocal. Women own all the land, crops, and any food the men obtain through hunting and fishing. Women serve as

judges and mediators, and they play a major role in the political culture. They also distribute goods and play a central role in religious services (Eller, 2011).

4.1 Forms of Societal Exclusion

This text previously discussed how immigrants adopt the customs, values, and attitudes of their new society and, over time, become assimilated into the new culture. However, for their own reasons or for reasons beyond their control, some do not assimilate. Those who fail to assimilate often do not have the same opportunities and advantages enjoyed by those who do; the outsiders do not fully participate in the culture (Zellentin, Hinsch, & Wingert, 2012). Because of dress, language, accent, or customs, they are still viewed as different. Immigrants and the homeless are examples of such excluded populations.

When people immigrate to a new society and have needs, values, and attitudes that differ from those of the majority population, does the host society have any responsibility to try to accommodate immigrants' needs, values, and attitudes?

Proponents of assimilation would say that a host country has no responsibility whatsoever to make cultural changes to accommodate newcomers. "If they don't like it here, they can go back where they came from," goes the argument. Yet the United States in particular prides itself on being a nation of immigrants. Many social practices in American culture have continually undergone change as a result of the immigration of different groups of people into this country. For example, ethnic restaurants abound in large and small cities around the country and are frequented by people of varying nationalities. Public documents are routinely printed in several different languages in addition to English; Americans of all backgrounds routinely participate in Chinese New Year and St. Patrick's Day celebrations.

Many people, however, see these social practices as inconsequential when compared to what they consider to be various ways in which minority groups are oppressed and systematically excluded from mainstream American culture. The sections that follow examine some of these views.

Oppression

Historically, the term **oppression** has described unjust treatment by a powerful person or government. Such treatment might include persecution, abuse, domination, brutality, or tyranny, such as the oppression of slaves in the United States prior to the Civil War. More recently, however, the term has been used to denote widespread or systemic social inequity by those who wield power in a hierarchical social system that grants one group (e.g., racial, gender, or socioeconomic) greater access to resources (social, economic, political, cultural, and psychological) relative to other groups (Case & Hunter, 2012). Such oppression, say some researchers, creates a minority group experience in which people feel marginalized. **Marginalization**, also often referred to as social exclusion, relegates people to the margins or fringes of mainstream society and places them at a social disadvantage.

Oppression, say some researchers, also has the potential to limit individuals in the social, political, and economic domains of their lives, while taking a psychological toll on them by creating a sense of demoralization, lowered self-esteem, and decreased quality of life (Matthews & Adams, 2009). Oppression can be accompanied by **discrimination**—actions, practices, traditions, policies, or laws that deny human rights or social participation to categories of people based on their actual or perceived membership in a certain group.

Discrimination

Broadly defined, the term *discrimination* refers to discernment—the ability to recognize and understand the differences and fine distinctions between one thing and another. However, in the latter part of the

1800s, the word acquired a meaning related to the unfair or prejudicial treatment of or behavior toward a person or minority group. As its definition above suggests, discrimination can take multiple forms. It can refer to unequal treatment by one person; a community-wide ostracizing of certain people in specific neighborhoods; a pervasive attitude demonstrated by unfair treatment in employment, housing, or education; or a societal prejudice that is reflected in regulations or legislation that affect groups of people.

For example, some Muslims have pointed to U.S. legislation, such as the 2001 Patriot Act and travel restrictions implemented through the Transportation Security Administration (TSA), as the impetus for increased discrimination toward them (Ghaffari & Çiftçi, 2010).

After the September 11, 2001, terrorist attacks on the United States, many Muslims felt **stigmatized** because of their religion and/or ethnicity. The word *stigma* derives from a 16th-century word meaning "to mark with a brand," and it refers to singling out someone or a group and condemning them or their behavior as wrong or disgraceful. This stigmatization often becomes a rationale for various forms of discrimination.

On a 2007 survey conducted by the Pew Research Center, a majority of Muslim Americans surveyed said it has become more difficult to be a Muslim in the United States since the September 11 attacks. Many Muslims believe that the government "singles out" Muslims for increased surveillance and monitoring, and they also report hate crimes, harassment, and other forms of discrimination against them due to their ethnic and cultural identity and to misconceptions regarding the religion of Islam (Ghaffari & Çiftçi, 2010).

In 2010 the Council on American–Islamic Relations estimated that approximately 7 million Muslims lived in the United States. Approximately 65% to 75% of these people are immigrants, and they belong to a diverse population that originated from 80 different countries around the world and whose members have different traditions, practices, languages, and cultural and ethnic backgrounds.

The Muslim population varies widely in its religious affiliation and how its members observe and practice their religion. A study conducted by the Pew Research Center in 2007 titled "Muslim Americans: Middle Class and Mostly Mainstream" surveyed the identities of the Muslim American community and found that about half of the Muslim immigrant population and their children identify as Sunni Muslims, 22% do not identify as a member of any particular sect, and 16% identify as Shia (Shiite) Muslims.

Regardless of religious affiliation, overall, a third of Muslim Americans interviewed in the 2007 Pew survey reported that they experienced at least one of these hostile acts in the previous 12 months: being called offensive names, being singled out by law enforcement, or being physically threatened or assaulted.

The example of discrimination against Muslims is not unique to the United States, and discrimination is not restricted to one religious group, nationality, skin color, or appearance. Discrimination exists in many forms throughout the world.

Structural Inequities

History is replete with stories of discrimination against individuals and entire groups of people. This discrimination is not always sanctioned by the primary culture, and it is not always obvious. But it can be reinforced, perpetuated, and even implicitly condoned when it exists within the structures and systems of the society itself.

When discrimination exists within social, political, and economic institutions or other structures within a society, **structural inequities** are rooted in the societal system. They can be found, for example, in policies that give preference to immigrants from one country over another, in university admission practices that privilege the children of alumni or other special classes of applicants, and in laws that deny voting rights to persons based on race or sex. These structural inequities exclude some groups from full participation in the culture, relegating them to an inferior status in the society.

Structural inequities can also be more subtle than explicit laws allowing or prohibiting actions by certain groups. They can take the form of systemic cultural inequalities. These could include the underrepresentation of minorities in positions of social, economic, and political influence; unlawful practices within communities such as exploitation of immigrants or other minority populations in low-wage or "sweatshop" employment; lack of input from marginalized groups with regard to political decisions; or silent rejection or subtle forms of exclusion from participation in the social structure.

In the 2009 book *More than Just Race: Being Black and Poor in the Inner City*, Harvard professor William Julius Wilson explores the structural and cultural forces that contribute to racial inequality in American inner cities. He explains that when people share similar place-based circumstances such as living together in a poor, segregated neighborhood, they participate in social networks and a particular way of understanding social life and cultural scripts that guide their behavior. Thus, he argues, when they act according to their culture, "they are following inclinations developed from their exposure to the particular traditions, practices, and beliefs among those who live and interact in the same physical and social environment" (Wilson, 2009, p. 4). These practices and beliefs are not the same as those of people whose living circumstances are different.

Wilson (2009) identifies two types of structural forces that he calls *social acts* and *social processes*. *Social acts* refer to the behavior of individuals within the society, and Wilson includes discrimination in hiring and job promotions, housing, and college admission as well as exclusion from unions, associations, or clubs—when these are the acts of an individual or group exercising power over others.

Wilson (2009) defines *social processes* as the "machinery" of society: structural or institutional inequities. He includes policies and laws in this category. These social processes also involve more indirect forms of discrimination such as school tracking, which purports to be academic but often reproduces traditional segregation, and redlining (drawing boundaries and excluding low-income areas where a financial institution will not make mortgage loans), which purports to be about sound fiscal policy but in fact excludes Black people from home ownership. Wilson believes it is important to understand not only the independent contributions of social structure and culture but also how they intersect to shape different group outcomes. According to Wilson, those outcomes can result in inequality and prevent full integration of some minority groups into mainstream American society.

Exclusion Due to Differing Values

We may assume that the values that guide political decisions in the United States are the basic rights and freedoms found in the nation's Constitution. While these values might be the underpinnings of government action, government cannot justify and guarantee that these values will be upheld. Government depends on civil society to provide a moral foundation for these values and to demonstrate them in social practices. These social practices, then, guarantee and protect these values over time.

This chapter previously asked the question, "Does a prevailing social group have any responsibility to try to accommodate the needs, values, and attitudes of those joining it from another group?" If a particular

country has no obligation to accommodate immigrants' needs and values, how can people with different conceptions of what is right or wrong be treated equally? And how does society ensure that cultural differences do not translate into political disadvantages for members of minority groups?

Some claim that mainstream societies generally tolerate the cultural differences of minority groups but do not consider their views in political debates that involve **value judgments** such as those regarding abortion legislation or gay marriage. Value judgments are subjective assessments about the quality or worth of something, or whether something is good or bad, based on one's own standards or priorities. Value judgments often implicitly involve issues of whether something should or ought to be done. Because they are subjective, they often refer to an individual's opinion, which is formed to a certain degree by one's belief system and one's culture.

This chapter opened with the statement that all cultures develop a pronounced sense of how different they are from "others." A society that compares itself to another can develop an ethnocentric view: that "we" are superior to "them" or in some way better than "they" are. These perceptions of others, particularly those whose values are considered inferior, can lead to prejudice and various other forms of discrimination against nonfavored groups.

Annotations for: 4.1 Forms of Societal Exclusion

Highlights

Yellow

1. immigrate

5.3 Globalization and Income Inequality

As people migrate among nations, these populations affect the economy of the host regions. The economic structure of a society influences how people spend and value resources (including money) in their new land. When people move from lands where trading or bartering of commodities is the norm to gold- or other currency-based economies, the interactions between people change. The same is true when people move, for example, from Communist or Socialist economies to capitalist communities. This dispersion of people throughout the world creates economic challenges as nations engage with one another in the efficient and effective transfer of goods and services.

Globalization refers to the concept that—regardless of ethnic diversity or the retention of cultural differences—the world is developing an increasingly singular economy. This global economy primarily results from advancing technology and communications, free trade, free flow of capital, and the use of foreign labor markets.

Globalization has both positive and negative consequences for individuals and for countries as a whole. Among the advantages, increasing trade between nations often results in expanding economic freedom. In turn, free trade and globalization increase competition, productivity, and economic growth rates. The competition to produce goods and services more efficiently often requires economies to adapt and become more entrepreneurial and innovative.

Globalization, too, has its downsides. Competition also increases social and economic inequalities, since not everyone benefits equally from a dynamic market. Competition produces “winners” and “losers” in the economic arena. Globalization of labor markets may not be the only cause of increasingly unequal income, but it has certainly exacerbated it. With globalization, tradable goods and services are imported to advanced capitalist societies from less advanced societies, where labor costs are lower. As the production of manufactured goods is outsourced to countries with lower wages, the wages of the relatively unskilled and uneducated in advanced capitalist societies decline further.

The term **social stratification** describes the division of members of a society into various groups or classes, based on social or economic criteria, and the disparities between those at different social and economic levels in a society.

Historical Perspective on Social Stratification

Prior to the growth of capitalism and market-oriented societies, feudal social structures were the norm. In feudal structures relationships derived from the holding of land in exchange for service or labor. An individual’s social and economic position was governed by traditional communal, political, and religious structures. The social class to which a person belonged as well as the individual’s political position and accompanying economic benefits were determined by birthright or by whim of the ruling party.

This type of social structure determined the choices and destinies of individuals and their families. Change was kept to a minimum, impeding people’s progress in the society while also protecting them from many of life’s challenges. Feudal societies were generally self-sufficient, producing what they consumed and consuming what they produced, whether food, clothing, or baskets. If those in power consumed more than they produced, they bartered with others for desired goods and services.

In the 16th century the feudal system began to break down, as land was increasingly concentrated in the hands of fewer landlords. Capitalism, a free-enterprise system, began to take hold around the world as

an economic structure operated for profit and based on capital accumulation, competitive markets, and wage labor. Historians attribute the development of capitalism in Europe between the 16th and 18th centuries to three primary factors:

1. the disruption of feudal societies starting with the Black Death pandemic in the 14th century;
2. migration, increased global trade, and exposure to the agricultural and manufactured products of other societies; and
3. economic growth stimulated by the Industrial Revolution.

The advent of capitalism expanded what was originally a European economy into a global economy with different regions. Some of these regions, primarily empires in Europe, became colonizers; other regions, such as lands on the continent of Africa, were exploited for labor (Prak, 2000).

As capitalism and trade between nations grew, slavery began to be abolished and globalization began to occur. Individuals obtained more control over and responsibility for their own lives and their ability to change their social, political, and economic positions—both to progress and to regress. Fortune, hard work, personal connections, and other factors became important determiners of a person's position in the new societal stratification.

One of the outgrowths of this move from feudalism toward capitalism was a shift in the source of insecurity for human populations. Whereas under the feudal system everyone was dependent on nature for prosperity, under capitalism people became subject to the whim and fluctuations of the economy and individual choices. The ability to move from one income and social class to another was now possible, but differences in income among members of the culture could be more devastating to a person's ability to survive and prosper.

Income Inequality and Income Mobility

One of the most controversial topics in economics and sociology, about which people have been fighting for centuries, is income inequality. Relatively little has been written about a related topic, income mobility. However, both terms are important to understand when we discuss income distribution among members of a society.

Austrian economic historian Joseph Schumpeter likened income distribution to a hotel in which some rooms are luxurious, those in the middle are ordinary, and those in the basement are small and shabby. When the rooms are all occupied on a given night, the occupants of the hotel experience inequality in their accommodations. *Income equality* is a similar concept where people occupy different positions relative to one another on an income distribution scale. *Income mobility*, on the other hand, refers to the assurance that the luxurious rooms will not always be occupied by the same individuals and that those in the shabby rooms will have the opportunity to move to better ones.

Thus, the frequency with which people move between rooms (or between income categories) is *income mobility*—and it is an important measure of fairness and equity. Some believe it is the defining characteristic of a democratic economy (U.S. Department of the Treasury, 2007). However, people have the mobility to move from a luxurious room to a shabby one as well (Fields, 2004).

In fact, according to William McBride (2014) of Washington, D.C.'s Tax Foundation, income mobility is exactly what has been happening since 1987 in the United States. In 1987 *Forbes* listed the 400 wealthiest individuals in the United States. Of those individuals, 327 have dropped off the list since 1987. The remaining 73 people are generally self-made entrepreneurs and investors—not heirs of their

fortunes. The role of inheritance has diminished dramatically over the past generation, and the share of the Forbes 400 who grew up wealthy has fallen from 60% in 1982 to 32% today.

The statistics McBride (2014) reports sharply contrast with a controversial best-selling book, Thomas Piketty's *Capital in the Twenty-First Century*, first published in France in 2013 and translated into English in April 2014. Piketty studied 20 countries around the world to discover who owns what and who earns what today. He concluded that income inequality is not an accident, but rather a feature of capitalism that can only be reversed through government intervention. The book depicts the wealthy as heirs with privileged access to high rates of return. Piketty contends that it is almost inevitable that inherited wealth will accumulate more rapidly than money earned from a lifetime of labor. The *Forbes* list, however, suggests that Piketty's findings do not describe wealth in the United States. Income mobility as a result of entrepreneurial and investment successes is very prevalent in this country. The findings of a 2007 U.S. Department of the Treasury report provide some interesting supporting statistics:

- More than half of taxpayers moved to a different income quintile from 1996 to 2005.
- Roughly half of taxpayers who began in the bottom income quintile moved to a higher income group by 2005.
- The degree of mobility among income groups was unchanged from the prior decade (1987 to 1996).
- Among those with the very highest incomes in 1996, the top 1/100 of 1%, only 25% remained in this group in 2005. Moreover, the median real income of these taxpayers declined over this period.

The fact of income mobility notwithstanding, some troubling trends in income inequality have been taking shape around the world, which the following section will discuss.

Factors That Affect Income Inequality and Immobility

Studies have documented the long-term trend of increasing income inequality in capitalist countries among those at higher and lower societal economic levels, and many theories have been advanced as to its causes. Historian Jerry Z. Muller (2013) believes that it is an inevitable product of democratic capitalism and market operations. Some economists cite as explanation other factors, such as higher level skills and education among those in upper income brackets as well as a shortage in the overall supply of highly educated workers. Increasingly globalized labor markets and the **outsourcing** of products and services, often to foreign countries, is also thought to contribute to income inequality, along with a decline in unionization and increased immigration and competition for jobs (U.S. Department of the Treasury, 2007).

In some areas of the world, formal or informal barriers block certain sectors of the population, such as women, minorities, and the poor, from advancing. However, in many Western countries, those barriers have gradually been lowered or removed, so that equal opportunity is more widely available now than ever before.

> Income inequality around the world continues to rise despite increased opportunity in many nations. In 2011 the Organisation for Economic Co-operation and Development conducted a study of household income in 30 of its member countries. The study found that in the past 25 years, the rate of inequality had risen in 18

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Income inequality is still an issue in many of the world's nations. Sweden is one of the countries that have seen a rise in inequality during the past 25 years.

countries, stayed roughly constant in 7, and fallen in only 5. The biggest growth in inequality took place in countries where it had historically been low: Finland, the Czech Republic, and Sweden. The decline in inequality happened in poorer countries where it had been high, such as Chile and Greece (Julius, 2012).

The 2011 study also compared the rise in household incomes of the 10 poorest countries with those of the richest. Surprisingly, the poor did not get poorer, except in Japan. However, the rich gained wealth faster than the poor did in nearly all countries, including Scandinavia, where incomes are generally more equal and high taxes fund generous social benefits (Julius, 2012).

An even more striking trend from the study revealed how the top 1% of households have pulled away from the rest. Those households' share of total income rose in all 19 countries where data was available. In the United States this group accounted for nearly 18% of national income; however, it also paid 40% of the country's income tax revenues. In Britain the richest 1% accounted for 14.3% of national income and paid 24% of the country's personal income tax revenues.

Poverty Rates

The *Global Monitoring Report 2014/2015: Ending Poverty and Sharing Prosperity*, a joint publication of the World Bank Group and the International Monetary Fund (2015), recently examined poverty and ways to improve the lives of the world's poor. The report cites economic growth as paramount. Beyond growth, the report examines the extent to which all members of a society share in the benefits of that growth. In April 2014 the World Bank Group adopted two goals: (a) to end extreme poverty by 2030 and (b) to promote shared prosperity for the poorest 40% of the population in developing countries.

The results over the past decade appear encouraging. Globally, extreme poverty declined from 1.25 billion people (18.6% of the world's population) in 2008 to 1.0 billion (14.5%) in 2011. Additionally, in 58 of 86 countries for which the report had adequate data, the incomes of the poorest 40% of populations grew faster than for the population as a whole between 2006 and 2011. In 13 additional countries, income or consumption of the poorest 40% grew by more than 7% annually for the same period. In 18 countries, however, incomes actually declined among the poorest 40% of the population.

The *Global Monitoring Report 2014/2015* also notes that gaps in living standards between wealthier households and low-income households, as measured by access to education and health services, have narrowed over the decade from 2001 to 2011. However, living standards of low-income households still remain below that of 60% of wealthy households.

Share of Prosperity

Although poverty rates are relatively easy to track, the ability of all segments of a society to share in prosperity is much more difficult to measure. Shared prosperity is a relative concept. For example, the average household in the bottom 40% of the income distribution in the United States would be among

the richest 10% in Brazil. Similarly, the average household in the bottom 40% in Brazil would fall into about the 90th percentile of income in India.

Recent trends in shared prosperity have been positive but vary considerably across countries. Thus, cross-country comparisons are difficult to make. Still, the report notes that income distribution has deteriorated in the vast majority of high-income countries around the world, including the United States. In other words, the gap between the richest 10% of the population and the poorest 10% of the population widened in most high-income countries between 1976 and 2007, primarily due to a growing concentration of income among top-income earners. Canada, Australia, New Zealand, and the United Kingdom also have widening income gaps. Interestingly, the widening income gap was found even among traditionally egalitarian societies such as Denmark, Germany, and Sweden. Thus, being near the bottom or near the top income category is more consequential today than it has been in the past.

Addressing Global Poverty

Many organizations work to end worldwide poverty, such as the World Bank and the Global Poverty Project, which aims to end extreme poverty by 2030. Using the following sites, design a strategic approach you would take to end world poverty.

http://www.globalpovertyproject.com (http://www.globalpovertyproject.com)

http://www.worldbank.org (http://www.worldbank.org)

http://www.pewresearch.org (http://www.pewresearch.org)

http://www.bls.gov/home.htm (http://www.bls.gov/home.htm)

Critical Thinking Questions

1. How does economics impact individuals, cultures, and societies? Do you think there should be efforts to tighten the gap between rich and poor? Are you comfortable with income disparities? Please explain with a strategy.
2. What actions must be taken for your strategy to be successful?
3. What countries, groups, leaders, or individuals would need to support your strategy? What happens if they do not? Can the strategy work without everyone's buy-in?
4. How could you work around those who do not wish to cooperate?

The Effects of Globalization

Research suggests that two separate dynamics—job-skill requirements and technology—are driving the growing worldwide income inequality—and both point to globalization rather than national policies as the cause. Recent studies show that if workers in rich countries are unskilled, or have skills that are in ample supply but that can be obtained more cheaply somewhere else, globalization depresses these workers' incomes (Julius, 2012).

In high-income countries the most important driver of widening income inequality has been technological progress. Such progress benefits higher skilled workers more. Thus, workers with skills in information and communications technology or financial services have enjoyed significant income gains, while lower skill individuals have fallen behind. As a consequence, the earning gap between high- and low-skilled workers has widened significantly. In some countries, including the United States, labor demands have been for higher skilled workers. Yet the supply of such individuals has not kept pace with rising demand, as the growth in higher education attainment has slowed (World Bank & International Monetary Fund, 2015).

The United States has witnessed this dynamic play out in the manufacturing sector, as jobs have been relocated and wages depressed by competition from poorer countries. From a consumer standpoint, this situation represents an advantage: Buyers face lower prices and workers in poorer countries enjoy jobs that they otherwise would not have. At a disadvantage, on the other hand, are the original, higher paid employees in the richer countries who may lose their jobs.

Technology has also influenced the globalization trend. The Internet has allowed many information-processing and technical-support jobs to be outsourced to countries like India, where a growing supply of educated workers are available to employ at a lower cost.

Among people at the top of the income distribution, globalization works in the opposite manner. One report explains the effect this way:

> Quality rather than cost drives demand for top performers. Cost is easy to measure; in many fields, quality is not. Purchasers must rely on reputation and track record. This often creates a wide gap between best and second-best. A football manager knows that the rewards for winning a title are many times greater than for being runner-up, so wants to recruit the best players regardless of cost. . . . Such behavior is akin to an arms race where competing sides increase salaries towards an equilibrium that is higher than it need be, but hard to escape. (Julius, 2012, para. 9)

With globalization, the search for talent in areas that require specialized education or skills can be extensive. It is true that language and culture limit the market for some countries to obtain talent. German and Japanese companies, for example, generally recruit from within their own countries. However, the widespread use of English means that the United States and many other countries can search worldwide for skilled workforces.

Culture, Politics, and Religion

In some areas of the world, cultural, political, and religious structures continue to impede some members of a society from changing their social or economic status. Lack of access to education for girls and women, for example, hinders the improvement of their economic position. In other areas of the globe, military conflicts or an unstable political environment make survival, safety, and security—not income generation—the primary concerns of the population.

In the United States geography and regional culture may also play a role. Research shows that some parts of the United States, particularly the Southeast, have persistently lower income-level mobility over time than, for example, the Mountain West (Tankersley, 2014). Thus, the gap widens between the top and the bottom income strata.

Human Capital and Education

Many economists and historians believe that income disparity today derives less from unequal access to opportunity than it does from unequal ability to exploit the opportunity. This inequality stems from differences in inherent human potential, education, and the ways in which families and communities enable and encourage that human potential to flourish. Brink Lindsey (2013b), a senior scholar at the Kauffman Foundation and senior fellow at the Cato Institute, believes that the poor are trapped in a vicious cycle in which their lack of **human capital**—commercially valuable knowledge and skills—leads to family breakdown, unemployment, and poverty. Whereas one culture may look to education as a means for people to assimilate and succeed, other cultures may not understand education as an option.

Lindsey (2013b) argues that that economic expansion is creating an increasingly complex world in which a minority with the right knowledge and skills—the right *human capital*—reaps the majority of the economic rewards. The rise of social complexity, in his view, has caused populations to develop cognitive capabilities. The successful, Lindsey explains, are making ever-greater investments in education, personal development, and other ways of increasing human capital.

In addition, work in general has shifted from jobs that were deeply dependent on manual labor to those more heavily reliant on intellectual skills. Beginning in the 1990s the share of total employment rose for the highest and lowest skill jobs while declining for middle skill positions, as computers took over many of these mid-level jobs. Lower skilled jobs have also declined as a share of total employment. Lindsey (2013b) cites this growing complexity in today's economy as the reason for income inequity. Our complex postindustrial world, he argues, makes ever-greater demands on us to use critical thinking and to continually upgrade our skills and knowledge to keep pace with technological advances.

In Lindsey's view, economic growth today means a more intricate and more highly specialized division of labor, and success in terms of socioeconomic status in that environment is directly related to a person's ability to handle the demands of a complex, contemporary society. Successful individuals, he suggests, have the means to invest in education and expand cognitive skills, leading to still higher levels of skill and economic achievement. To invest in education, though, people must know how to obtain the means to make the investment. And, although some cultures have historically had open pathways to education, the system has not always been open for all.

Historically, education and a family's emphasis on it have factored greatly into economic success. In the 19th century education in the West was a means of maintaining social distance between the classes and sexes. The spread of industrial capitalism made it more difficult to recruit sufficient numbers of skilled and educated workers from within the ranks of the privileged. Particularly after World War II, education became not only an investment in economic growth but also a means of promoting social justice (Brown & Lauder, 2001).

Labor quality and skill levels benefited from increases in the number of people seeking higher education in the 20th century. Recently, however, gains in educational attainment have slowed and, in some areas, moved into reverse. The high school graduation rate is actually lower today than it was in the early 1970s, and the college graduation rate since 1980 has risen more slowly than in prior decades. In fact, labor quality growth is projected to decline further because fewer people are acquiring degrees than previously (Lindsey, 2013a).

Money also matters, but it is often less significant than these largely nonmonetary factors. The prevalence of books in a household is a better predictor of higher test scores than family income, and over time, family endowments and market rewards tend to converge. As the gap between high-income

and low-income families has increased, the educational and employment achievement gaps between the children of these families has increased even more (Muller, 2013).

The result is a polarized American culture and socioeconomic class divisions defined along the lines of educational achievement. Muller (2013) believes that this cultural polarization is most obvious in the divergent trends in family structure. As the elite upper third or so continue to take advantage of growing opportunities, most American children are raised in an environment that is less favorable for developing human capital than that in which their parents were raised.

The Importance of Family

Economists and social scientists find again and again that the resources transmitted by the family tend to be highly determinative of success in school and in the workplace. Economist Friedrich Hayek pointed out half a century ago that the main impediment to true equality of opportunity is that there is no substitute for intelligent parents or for an emotionally nurturing family (as cited in Muller, 2013).

Hereditary endowments come in a variety of forms: genetics, prenatal and postnatal nurture, and the cultural orientations conveyed within the family. A 2003 study by economists Pedro Carneiro and James Heckman found that socioeconomic differences in cognitive and noncognitive abilities appear early in life and widen over the life cycle of the child (as cited in Webbink, Vujic, Koning, & Martin, 2012).

In the United States among the most striking developments affecting household-income disparity in recent decades has been the stratification of marriage patterns. When divorce laws were loosened in the 1960s, divorce rates rose among all economic classes. But by the 1980s divorce among the more educated members of the populace was in decline, but rates among the less educated continued to rise. In addition, the better educated and more well-to-do were more likely to wed, whereas the less educated were less likely to do so.

Over the past 50 years, American society has seen a dramatic rise in single-parent families (Lindsey, 2013b). Children born to single mothers have soared from 10% of the total number of children in 1969 to 41% in 2008. The share of children living with two married parents has fallen from 77% in 1980 to 65% in 2011. These statistics reveal huge disparities along the lines of education and race.

As of 2011, 87% of children who have a parent with a bachelor's or higher degree were living with two married parents. The corresponding figures for high school graduates and high school dropouts were 53% and 47%, respectively. Divorce rates are also traditionally lower for college-educated couples than for the rest of the population. Parenting styles also differ among different classes. College-educated parents are more likely to foster and assess their children's talents, opinions, and skills and schedule them for activities. These represent efforts to stimulate their development and cultivate their cognitive and social skills.

When race is considered, 29% of White, non-Hispanic children were born to single mothers in 2008, compared to 53% of Hispanic children and 72% of Black children. And in 2011, 75% of White, non-Hispanic children were living with two married parents, whereas among Hispanic children the figure was 60% and among Black children, only 33%.

This conflict between economics and culture, Lindsey fears, poses a serious threat that widening disparities will prompt a political backlash against the economic structure and social system and lead to policy changes that undermine future economic growth and limit further social progress. The answer, in his view, is to create public policies that encourage healthy cultural change. As this text has discussed,

however, and Lindsay reiterates, culture is passed on from one generation to another and is difficult to alter.

Income Inequality in the United States

In September 2014 the U.S. Census Bureau released a report that presents data on income and poverty in the United States. This report was based on information collected in the 2014 and earlier Current Population Survey Annual Social and Economic Supplements conducted by the U.S. Census Bureau. The report indicates real median household income (adjusted for inflation) increased for Hispanic households, households maintained by a noncitizen, and households maintained by a householder aged 15 to 24 or aged 65 and older (DaNavas-Walt & Proctor, 2014).

Additionally, the report shows that 2013 poverty rates decreased for Hispanics, males and females, children under age 18, the foreign-born, people outside metropolitan statistical areas, all families, and married-couple families. As the text has discussed previously, however, controversy persists about the best approach to measuring income and poverty (DaNavas-Walt & Proctor, 2014).

Despite the widening income gap the chapter earlier discussed, in examining the United States specifically, social conditions suggest that mobility has remained fairly steady. Though social movements in the United States have provided better career opportunities for women and minorities, one factor has stayed constant: Those growing up poor today appear to have the same odds of staying poor in adulthood that their grandparents did. While some people believe that it is harder to climb out of poverty than it was 50 years ago, one study reports that mobility from one level of economic stratification to another is virtually unchanged from 50 years ago. In other words, children growing up in the United States today are no more and no less likely to climb into higher economic levels than children born more than a half century ago (as cited in Tankersley, 2014).

The study also suggests that any advances in opportunity provided by expanded social programs have been offset by other changes in economic conditions. Increased trade and advanced technology, for instance, have closed off traditional sources of middle-income jobs. Additionally, the gap between the top and the bottom economic categories is greater today—and growing. The chapter has looked at some of the issues related to income equality around the world; what perpetuates this gap between the rich and the poor?

Consequences of Income Stratification

Income stratification around the world has been the impetus for labor uprisings, violent demonstrations, and protest movements such as Occupy Wall Street in 2011 in New York City. These actions are popular responses to income and wealth inequities and the perceived greed, corruption, and undue influence of corporations such as financial institutions on government policies.

Recent political debate in the United States and many European democracies has centered on three primary issues surrounding economic stratification: the increasing disparity between high- and low-income levels in a society, the equity or fairness of such inequalities, and the degree of government intervention needed to resolve these issues.

Muller (2013) acknowledges the increasingly unequal income in the postindustrial capitalist world, but he argues that the approaches of both the political left and the political right in the United States are misguided. The left focuses on increased government taxing and spending at home and abroad in an

attempt to reverse the growing social stratification; the right focuses on decreased taxing and spending to ensure economic dynamism and the growth of the market economy. The view of those on the right, according to Muller, is akin to the belief that a rising tide will raise all boats—that a dynamic economy will benefit all the nation's residents.

Muller (2013) argues that the challenge is to merge the left and right viewpoints—to maintain the economic dynamism that increases benefits for all while at the same time paying for the social welfare programs that make citizens' lives bearable under increasing inequality. Failure to address this income gap disparity, in Muller's view, is dangerous for everyone in a society, not just the poor. History has shown that if the issue of income inequality is left unaddressed, rising inequality and economic insecurity will erode social order and generate a populist backlash against the capitalist system at large. Thus, Muller and Lindsey agree that escalating social unrest in the United States is a real danger if government does not take steps to resolve the country's stratification issues.

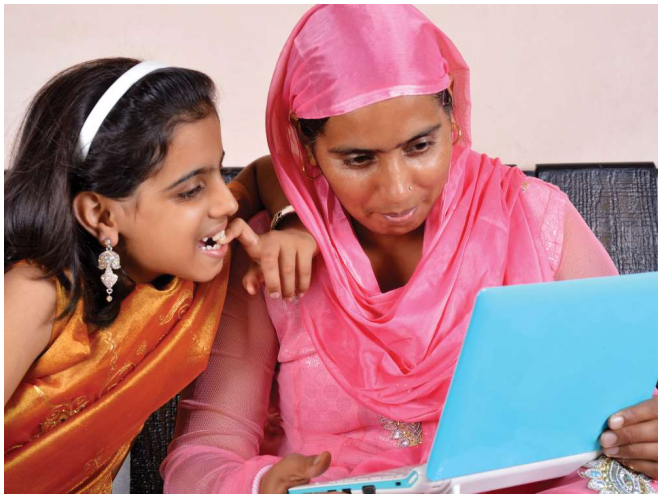
Although a great deal of attention has been placed on the consequences of income stratification on those at the lowest levels, rising inequality has consequences as well for those in the middle class and for the affluent. As late as the 1980s, companies offered employees defined-benefit pension plans, with the risks involved assumed by the companies themselves. However, as the U.S. economy grew more competitive, corporate profits became more uncertain and pension accounting requirements became more complex. Companies attempted to shift the risk by moving pension funds into the hands of professional money managers at Wall Street investment banks, which were expected to generate significant profits. As a consequence, American employees' retirement incomes no longer depended on the profits of their employers but on the returns of the invested pension funds.

Traditional investment banks transformed themselves into publicly traded corporations. They began to invest not just their own funds but other people's money and tied the bonuses of their partners and employees to annual profits. The outcome was a highly competitive financial system. Employees were paid according to their ability to outperform their peers, and fund managers sought to maximize short-term returns and to boost immediate profits at the expense of longer term investments. When financial markets experienced downturns in the 1990s, this strategy had dire consequences for the pensions of many Americans.

Solving Income Inequality

Economists' projections for the future of the global economy are generally pessimistic. Some economists argue that the worldwide slowdown in economic growth and median income gains over the past few decades is the new normal. Others such as Lindsey (2013a) believe that innovation or other strategies and factors could come to the rescue. Lindsey, though, finds no evidence that major growth through technological innovation is currently underway.

> Americans may have to prepare for a future in which children will not be as well off as their parents. Lindsey points out that current public policies in the United States contain multiple barriers to entrepreneurship, competition, and growth; policies also restrict new entries into entrenched markets and levy taxes that blunt incentive to innovate and take risks. Perhaps in the future some of these barriers may be lifted to stimulate economic growth.



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Some argue that continued innovation in the fields of science and technology could help encourage economic innovation and would benefit everyone.

Lindsey also observes that the rise of online social networks has introduced collaborative enterprises where no money changes hands—such as Wikipedia and open-source software. He touts this phenomenon as promising new economic avenues that are unrelated to the possession of large amounts of capital.

Whether the global economy does well or continues to stagnate, the present problem of income inequality remains unresolved; effectively addressing it has proved to be a difficult challenge around the world. French president François Hollande has proposed as a solution raising tax rates above 50% on those with higher incomes. Economist DeAnne Julius warns that such measures only lead to substantial declines in tax revenue as the wealthy simply move money into tax shelters. However, most tax loopholes that benefit the rich are the consequence of different tax rates on income from different sources. Julius (2012) argues that a flat tax—a single tax rate for individual income, corporate income, and capital gains—would close the biggest loopholes.

Some suggest doing more to increase opportunities for those at lower levels of income. Expanding welfare benefits for poorer households has been shown to lessen inequality, but increasing welfare is expensive and reduces social mobility by creating a disincentive to work (Julius, 2012). Another proposed solution in many U.S. states is raising the minimum wage. Other efforts to improve the lot of the less fortunate that have been proposed include increasing social-welfare programs, such as unemployment insurance and food stamps, and requiring businesses to hire certain percentages of minority and other disadvantaged workers.

Redistribution of income from the wealthy to those who are economically disadvantaged has also been suggested. In a capitalist society, however, redistribution of income through taxation policies has been argued to impede the drivers of economic growth, leaving the forces that created the inequality unchanged. The solution to income equality remains elusive.

In Muller's (2013) view, political leaders must find ways to shield members of the society from the consequences of poverty while preserving the dynamism that produces capitalism's economic and cultural benefits. He argues that only the creation of the modern welfare state in the middle of the 20th century enabled capitalism and democracy to coexist. Nonetheless, Muller contends that attempting to create equal opportunity for everyone to participate in economic activity is not a viable solution. Such a course might only increase stratification—because some individuals and communities are not able to benefit as much as others or to exploit those opportunities.

A U.S. Department of the Treasury (2007) report confirms Muller's assessment. Using the analogy of an escalator, the report cites the extent to which all income rises over time with an expanding economy. (Some researchers use the analogy of people in a society moving up or down an economic ladder; this analogy is flawed because it implies that all progress is the result of individual effort.) According to the Treasury Department, incomes can increase over time with the growth of the overall economy. The direction of the escalator determines a certain amount of upward or downward mobility. No matter which step individuals are on, they will move up or down based on the movement of the escalator itself. If, however, the escalator is moving up, a person can move ahead faster by walking up the steps.

The issues of income stratification and inequality and the solutions to these issues are complex and not easily solved. The larger implications for U.S. society and the appropriate course of action remain obscure. Should the country increase social programs to provide a lifeline for some segments of the population, or do these social programs create a disincentive for people to work, dampening economic growth as a result? The answer may not be a zero-sum one, but a middle-way solution is perhaps one approach. For example, government programs such as Social Security, unemployment insurance, food stamps, Medicare, and Medicaid are arguably essential to support those who cannot benefit from economic gains. Even so, these programs may need restructuring. Other social programs, such as Pell Grants and Head Start, that have failed to promote upward mobility could be discontinued.

The impact of global economic stratification has natural consequences for equality. People hold a variety of beliefs about success and what it means. As the chapter has discussed, access to economic success is greatly improved through education. The access key to education differs from nation to nation; for some countries it is monetary, and in other places it might be test scores. Education and economic freedom may run parallel, but obtaining access to education is another matter, one that depends very much on where and how a person lives. No rule book exists that describes how to manage economically in a new culture, and economic and social stratification correlate. People who migrate across nations may take several generations to adjust to the economic and social rules of the new nation.