

3. The transformation of the American class structure, 1960–1990

Two opposed images have dominated discussions of the transformation of class structures in developed capitalist societies. The first of these is associated with the idea that contemporary technological changes are producing a massive transformation of social and economic structures that are moving us towards what is variously called a "post-industrial society" (Bell 1973), a "programmed society" (Touraine 1971), a "service society" (Singelmann 1978; Fuchs 1968) or some similar designation. The second image, rooted in classical Marxist visions of social change, argues that in spite of these transformations of the "forces of production," we remain a capitalist society and the changes in that class structure thus continue to be driven by the fundamental "laws of motion" of capitalism.

The post-industrial scenario of social change generally envisions the class structure becoming increasingly less proletarianized, requiring higher and higher proportions of workers with technical expertise and demanding less mindless routine and more responsibility and knowledge. For some of these theorists, the central process underwriting this tendency is the shift from an economy centered on industrial production to one based on services. Other theorists have placed greater stress on the emancipatory effects of the technical-scientific revolution within material production itself. In either case the result is a trajectory of changes that undermines the material basis of alienation within production by giving employees progressively greater control over their conditions of work and freedom within work. In class terms, this augurs a decline in the working class and an expansion of various kinds of expert and managerial class locations.

The classical Marxist image of transformation of class relations in capitalism is almost the negative of post-industrial theory: work is

becoming more proletarianized; technical expertise is being confined to a smaller and smaller proportion of the labor force; routinization of activity is becoming more and more pervasive, spreading to technical and even professional occupations; and responsibilities within work are becoming less meaningful. This argument was most clearly laid out in Braverman's (1974) influential book, *Labor and Monopoly Capital*. The basic argument runs something like this: because the capitalist labor process is a process of exploitation and domination and not simply a technical process of production, capital is always faced with the problem of extracting labor effort from workers. In the arsenal of strategies of social control available to the capitalist class, one of the key weapons is the degradation of work, that is, the removal of skills and discretion from direct producers. The result is a general tendency for the proletarianized character of the labor process to intensify over time. In terms of class structure, this implies that the working class will tend to expand, skilled employees and experts decline, and supervisory labor to increase as the demands of social control intensify.

This chapter attempts to use quantitative data on the changes in distributions of people in the American class structure from 1960 to 1990 as a way of intervening in this debate. In section 3.1 I will lay out a series of alternative hypotheses about the expected changes in different class locations based on the arguments of post-industrial theory and traditional Marxist theory. Section 3.2 will explain the empirical strategy we will adopt. Section 3.3 will then present the basic results.

3.1 Contrasting expectations of post-industrial and Marxist theory

The debate between post-industrial and Marxist conceptions of social change can be seen as a set of competing claims about the relative expansion and contraction of different locations within the class structure.

The classical Marxist theory of capitalist development posits three trends which directly affect the class distribution of the labor force. First, the expansion of capitalism tends to destroy independent, self-employed producers. In the nineteenth century and the first half of the twentieth century this process massively affected self-employed farmers in the agricultural sector, but the process is a general one affecting all sectors of the economy. This yields the prediction of a steadily declining petty bourgeoisie. Second, the dynamics of capital accumulation tend to generate increasing concentration and centralization of capital as small

capitalist firms are destroyed and larger firms grow. This trend yields the prediction of a decline in small employers and an expansion of managers, especially expert managers, to staff the administrative bureaucracies of corporations. Third, as noted above, in order to increase control over the labor force and the extraction of labor effort, capitalists have an incentive to reduce the autonomy of skilled labor and, where possible, replace skilled with unskilled labor. This, in turn, requires an expansion of the social control apparatus within production to monitor and supervise workers increasingly deprived of a knowledge about production. The appropriation by management of knowledge from skilled workers should also lead to the expansion of the expert-manager category. These trends of intensified proletarianization in the labor process generate the prediction of an expansion of the working class, an expansion of supervisors, managers and expert-managers, and a decline of (nonmanagerial) experts and skilled workers.

Post-industrial theory does not contain a systematic a set of hypotheses about transformations of the petty bourgeoisie and small employers, and therefore I will not impute formal predictions for these categories. The expectations for the changes in various categories of employees can be more clearly derived from the logic of post-industrialism. The expectation in post-industrial theory of a world of work with much more self-direction and autonomy than industrial capitalism suggests the prediction of a relative decline in purely supervisory labor (i.e. positions of social control within work which are not part of the managerial decision-making apparatus). On the other hand, managerial positions would be expected to increase as the complexity of organizations and decision-making increases.

Where post-industrial theory differs most sharply from the Marxist arguments outlined above is in the predictions about experts, skilled workers and workers. As a concomitant of the move to a knowledge- and service-based economy, post-industrial theorists would generally expect a pervasive expansion of jobs requiring high levels of expertise and autonomy. This implies a process of gradual *deproletarianization* of labor in which there was steady expansion of the expert and expert-manager class location and a corresponding decline of the core working class. Insofar as manual labor is still required, it would have an increasingly skilled and technical character to it, and thus highly skilled workers should also expand. The basic hypotheses of Marxist and post-industrial perspectives are summarized in Table 3.1.

Table 3.1 *Hypotheses for transformations of the American class structure*

Class location	Predicted changes in class distributions	
	Traditional Marxist prediction	Post-industrial theory prediction
<i>Class locations for which the two theories make different predictions</i>		
Workers	increase	decrease
Skilled workers	decrease	increase
Supervisors	increase	decrease
Experts (nonmanager)	small decrease	big increase
<i>Class locations for which the two theories have similar predictions</i>		
Managers	increase	increase
Expert-managers	increase	big increase
<i>Class locations for which there is not a clear divergence of predictions</i>		
Petty bourgeoisie	decrease	no prediction
Small employers	decrease	no prediction

3.2 Methodological strategy

The analytical technique used in this chapter is sometimes referred to as “shift/share” analysis (Wright 1997: 97). This procedure divides overall changes (shifts) over time in the class composition of the labor force into three components: a “sector shift” component, a “class shift” component and an interaction component. The first of these identifies the contribution to changes in the class structure that comes from the changing distribution of the labor force *across* economic sectors. For example, historically the agricultural sector has had an especially high concentration of the petty bourgeoisie in the form of small farmers. A decline in the relative size of the agricultural sector would thus, all other things being equal, have an adverse effect on the relative size of the petty bourgeoisie. In our analysis this would appear as a “negative sector shift” for the petty bourgeoisie. The “class shift” refers to changes in the class structure that result from a changing class composition *within*

economic sectors, independent of changes in the relative size of these sectors. For example, the gradual replacement of Mom and Pop grocery stores by chain supermarkets would be reflected in a negative class shift for the petty bourgeoisie and small employers within the retail trade sector and a positive class shift for managers and supervisors within that sector. Finally, some changes in the class structure cannot be uniquely attributed either to changes within sectors or to changes in the sectoral composition of the labor force. Rather, they result from the interaction of these two forces. This contribution to the overall change in class distributions is thus referred to as the interaction component.

Because of limitations of sample size, for the analyses of this chapter the 12 categories of the class structure matrix in Figure 1.3 have been collapsed into a simpler, eight-category model: employers (combining capitalists and small employers); petty bourgeoisie; expert-managers; managers (combining skilled and nonskilled managers); supervisors (combining skilled and nonskilled supervisors); experts (combining expert supervisors and nonsupervisory experts); skilled workers; and workers. We will also examine the results for workers and skilled workers combined. This eight-category typology drops the distinction between nonskilled and skilled within the two categories in the authority hierarchy, and the distinction between nonmanagers and supervisors within the expert category.¹

Throughout the analysis which follows our focus will be primarily on the various class categories among wage-earners rather than on employers and the petty bourgeoisie. The problem of the historical trajectory of self-employment in the United States will be examined in the next chapter.

3.3 Results

The basic time series data for class distributions between 1960 and 1990 appear in Table 3.2.² The results of the shift-share analysis for the class shift components for selected class locations appear in Figure 3.2.³ The

¹ The method for estimating these class distributions within economic sectors for the period 1960–90 is discussed in Wright (1997: 112–113).

² The estimates for the class distributions in this chapter differ somewhat from other chapters in this book because here we are combining census data with the data from the class structure project. For a discussion of the method for measuring class structure used here, see Wright (1997: 112–113).

³ The detailed results of the shift share analysis can be found in Wright (1997: 100).

Table 3.2 *Class distributions in the United States, 1960–1990*

Class location	1960	1970	1980	1990
<i>Nonowners</i>				
1 Managers	7.50	7.57	7.95	8.25
2 Supervisors	13.66	14.86	15.23	14.82
3 Expert-managers	3.87	4.41	5.06	5.99
4 Experts	3.53	4.53	5.49	6.90
5 Skilled workers	13.46	14.08	12.92	12.77
6 Workers	44.59	45.13	44.05	41.38
All workers (5, 6)	58.05	59.21	56.97	54.15
<i>Owners</i>				
7 Petty bourgeoisie	5.54	4.09	4.53	5.19
8 Employers	7.86	5.33	4.77	4.71

numbers in this figure indicate the rate of change of the labor force in a particular class location that can be attributed to the changes in the number of people in that class *within* economic sectors. For example, consider the expert-manager category in the 1970s. This category increased from 4.41% of the labor force to 5.06% of the labor force in this decade (see Table 3.2). This represents a 14.7% increase in the relative size of this class location during the 1970s. Some of this change was due to the movement of people into sectors that already had a higher proportion of expert-managers than in other sectors, but most of it (in fact, nearly 14% of the total rate of expansion of 14.7%) was due to the expansion of expert managers within sectors, or what we are calling the “class shift component.”

The results of the shift-share analysis in Figure 3.1 are much more consistent with the predictions of the post-industrial society thesis than the traditional Marxist view of changes in class structures. While in the 1960s, as predicted by Marxist theory, there was a small expansion of the working class within sectors (i.e. a small positive class-shift component), this expansion was reversed in the 1970s. By the 1980s, the class shift for the working class was -5%, meaning that the proportion of the labor force in the working class declined by an average 5% within sectors during that decade. There was also a small negative *sector* shift for the working class in all three decades (indicating that the sectors with relatively high concentrations of workers were declining in relative importance). In contrast, the class-shift component for expert

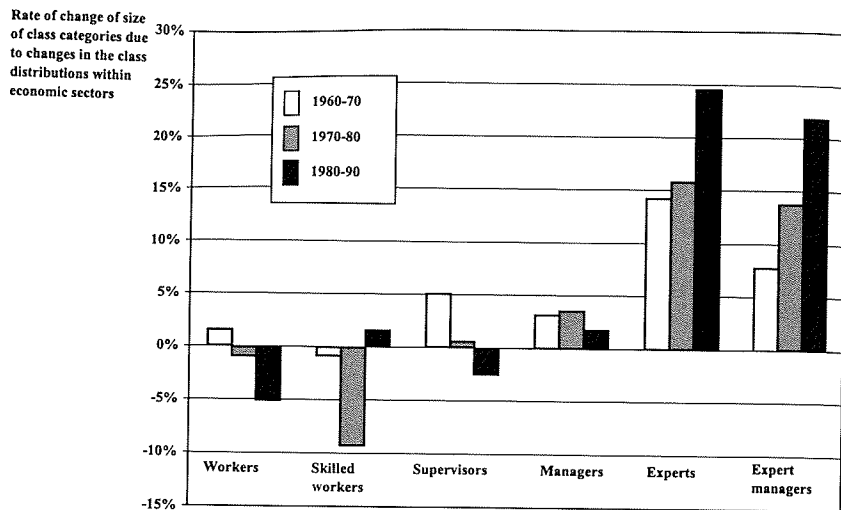


Figure 3.1 *Class-shift components of decade rates of change in class distributions for class locations among employees.*

managers and nonmanagerial experts was increasingly large and positive across the three decades. This is in keeping with the predictions of the post-industrial theory, especially those versions that emphasize technological change rather than sectoral change (since the class-shift components are much bigger and more consistent than the sector-shift components).

Overall, then, the main thrust of these results runs directly counter to the principal expectations of classical Marxism and formalized as hypotheses in Table 3.1. What is more, given that the 1970s and 1980s were a period of relative economic stagnation compared to the 1960s, classical Marxism would have predicted that the pressures towards degradation of labor would have intensified. The evidence in these results indicates that, if anything, there was an acceleration in the trend of *deproletarianization* in the 1970s and 1980s. While these results hardly indicate that the working class is in the process of dissolution – the core working class in the United States remains over 40% of the labor force in 1990, and, when combined with skilled workers, the extended working class is 54% of the labor force – nevertheless, the trajectory of change is more in keeping with the expectations of post-industrial theory than traditional Marxism.

Refined sectoral analysis

One final step in the data analysis is needed, however, to add force to this conclusion. It is important to know whether or not the class-shift components in Figure 3.1 are largely contained within particular sectors or are diffused throughout the economy, since this might affect the overall interpretation of the results. To check this out, I therefore disaggregated the class-shift components in Figure 3.1 into six sectors: extractive, transformative (mainly manufacturing and related sectors), distributive services (mainly retail and wholesale trade), business services, personal services and social-political services (see Wright 1997: 105–107 for detailed results).

For the working class, the negative class-shift component in the 1970s and 1980s – the *deproletarianization* process within economic sectors – is not simply a result of a massive change in one sector, but is present in 4 of the 6 aggregated sectors. In both decades, the biggest contributor to the negative class shift for the working class is the transformative sector (manufacturing and processing). This is also the one sector in the 1960s within which there was a negative class shift for workers. Thus, while overall the direction of the class shift component for the working-class changes from the positive (*proletarianization*) in the 1960s to negative (*deproletarianization*) in the 1970s and 1980s, in the case of the transformative sector the 1970s and 1980s represent a continuation and acceleration of a *deproletarianization* process already in place in the 1960s.

In this more refined analysis, the positive class-shift component for experts and for expert-managers occurs within nearly all of these broad sectors. The only consistent exception is for the distributive services sector in which there is a negative component for expert-managers in all three decades. The expansion of class locations involving significant credentials and expertise, therefore, is pervasive across sectors in keeping with post-industrial theory.

Not only are the patterns of class-shift components fairly consistent with the expectations of post-industrial theory, so also are the broad patterns of sectoral shifts: the expansion of managers, experts, and expert-managers is most closely linked to the expansion of social and political services in the 1960s and the expansion of business services in the 1970s and 1980s, while the decline of the working class, skilled workers and supervisors throughout these decades is most linked to the decline of employment in the transformative sector.

Finally, the specific pattern of sectoral and class shifts for experts and expert-managers is consistent with the expectations of those post-industrial theorists who emphasize the increasing importance of knowledge and information in post-industrial economies. In the 1960s, the expansion of experts and expert-managers in the class structure was driven almost equally by sectoral shifts in the employment structure centered on the expansion of social-political services (especially medical services) and the expansion of these class locations within sectors. In contrast, by the 1980s the relative expansion of these class locations was almost entirely a product of changes in the class composition within sectors, especially in the transformative sector and the social political service sector. This is in keeping with the idea of the increasing centrality of knowledge and information within the production processes of post-industrial society, even within the manufacturing sectors of the economy.

3.4 Interpretations and implications

The results presented in this chapter pose a real challenge to traditional Marxist expectations about the trajectory of development of the class structure of advanced capitalist societies in general and particularly about the process of intensive proletarianization. Contrary to the traditional Marxist expectation, the working class in the United States modestly declined in the period 1960–1990, and this decline appears if anything to be accelerating. What is especially noteworthy is that this decline is not simply a question of the shift of employment from manufacturing to services; the decline is accelerating *within the transformative sector itself*. While it may also be true in recent decades that within the working class itself working conditions may have deteriorated and exploitation may have increased as real wages have declined, nevertheless within the class structure as a whole the evidence does not support the prediction of increasing and deepening proletarianization.

One response to this challenge is to question the validity of the results themselves by arguing that they are artifacts of the measurements employed. The procedure for estimating class structures in 1960 and 1970 is certainly open to question (see Wright 1997: 109). These could conceivably have lead to systematic over- or under-estimation of changes in working class in the period under study. Nevertheless, in the absence of specific evidence that measurement biases exist in sufficient magnitude to alter significantly our estimates, the results remain a sharp challenge to traditional Marxist expectations of continuing proletarianization.

A second line of response is to accept the results, but to argue that the transnational character of capitalism in the world today makes it inappropriate to study transformations of class distributions within single national units. The last twenty-five years have certainly witnessed a significant growth of multinational corporate industrial investment in the Third World and an accompanying expansion of the industrial working class in Third World countries. The Marxist theory of proletarianization is a theory about the trajectory of changes in class structures in capitalism as such, not in national units of capitalism. In a period of rapid internationalization of capital, therefore, national statistics are likely to give a distorted image of transformations of capitalist class structures.

If these arguments are correct, then one would expect that changes in the class structure of world capitalism would be unevenly distributed globally. In particular, there should be at least some tendency for managerial class locations and expert class locations to expand more rapidly in the core capitalist countries and proletarian positions to expand more rapidly in the Third World. It is hard to get meaningful data directly on this hypothesis. There are some indirect data in our results, however, which are at least suggestive. The economic sector within which globalization is likely to have the biggest impact on class structure is the transformative sector (principally manufacturing), since this is the sector within which, many people argue, multinational corporations are shifting large numbers of working-class jobs to less developed regions of the world. If this is true, then one would expect to find a large, positive class shift within this sector for manager experts (i.e. they should very substantially increase as a proportion of the labor force within this sector), combined with a large negative sector shift (as overall employment in this sector declines). This is in fact what we find in the disaggregated decompositions for the 1960s and 1980s (see Wright 1997: Table 3.4): the largest positive class-shift component for manager experts is in the transformative sector. It could thus be the case that, if it were possible to measure the global class structure of multinational capitalism, the decades of the 1970s and 1980s would have been a period of proletarianization worldwide.

A final line of response to these results is to acknowledge that capitalist class relations are changing in ways unexpected by the traditional Marxist theory of deepening proletarianization. While the problem of extracting labor effort from workers remains an issue within class relations, under conditions of highly developed forces of production this

no longer generates an inherent tendency towards the degradation of labor. Instead, as Piore and Sabel (1984) have argued, we may be in the midst of a "second industrial divide" which requires labor with much higher levels of technical training and work autonomy than characterized "Fordist" production, training which makes workers capable of flexibly adapting to rapid changes in technology and the organization of work. The positive class shift for skilled workers within the transformative sector in the 1980s (+2.17), reversing the considerable negative class shift (-5.41) in that sector for this category in the 1970s, is consistent with this account.

These trends do not imply that "post-Fordist" capitalism is any less capitalistic than its predecessors - surplus is still appropriated by capitalists; investments are still allocated on the basis of profit-maximizing in capitalist markets; workers are still excluded from control over the overall process of production. And they also do not imply the immanent demise of the working class. In spite of the decline we have observed, the working class remains around 40% of the labor force in 1990, and when skilled workers are added, the extended working class is still over 50%. What these results do suggest, however, is a trajectory of change within developed capitalist societies towards an expansion, rather than a decline, of contradictory locations within class relations. Unless these trends are a temporary detour, it thus appears that the class-structure of capitalism continues to become increasingly complex rather than simplified around a single, polarized class antagonism.

4. The fall and rise of the American petty bourgeoisie

200 years ago Thomas Jefferson (1786 [1984: 580]) argued that the prospect of self-employment justified whatever depredations accompanied indentured service and wage labor: "So desirous are the poor of Europe to get to America, where they may better their condition, that, being unable to pay their passage, they will agree to serve two or three years on their arrival there, rather than not go. During the time of that service they are better fed, better clothed, and have lighter labour than while in Europe. Continuing to work for hire a few years longer, they buy a farm, marry, and enjoy all the sweets of a domestic society of their own." In the middle of the nineteenth century Abraham Lincoln (1865 [1907: 50]) also saw self-employment as the natural route to individual prosperity: "The prudent penniless beginner in the world labors for wages awhile, saves a surplus with which to buy tools or land for himself, then labors on his own account another while, and at length hires a new beginner to help him." And even in the waning years of the twentieth century, in an era of large corporations and powerful governments, Ronald Reagan (Public Papers of the Presidents of the United States. Ronald Reagan 1983: 689) extols the virtues of self-employment. Speaking at the awards ceremony for the National Small Business Person of the Year, Reagan remarked: "I am vividly reminded that those shopkeepers and the druggist and the feed store owner and all of those small town business men and women made our town work, building our community, and were also building our nation. In so many ways, you here today and your colleagues across the country represent America's pioneer spirit . . . You also hold the promise of America's future. It's in your dreams, your aspirations that our future will be molded and shaped."

Being one's own boss, being self-employed, is a deeply held ideal in